

**STATUTORY LANGUAGE**

SEC \_\_. TREATMENT OF STABLE VALUE CONTRACTS.

(a) STABLE VALUE CONTRACTS.—

(1) REVIEW BY COMMISSIONS.—

(A) SWAP STATUS.—The Commissions shall jointly review the extent to which stable value contracts constitute a swap.

(B) APPLICATION OF SWAP RULES.—To the extent that the Commissions jointly determine that any type of stable value contract constitutes a swap, the Commissions shall jointly determine—

(i) to what extent and as of what date such contracts should be treated as swaps for purposes of the requirements adopted in this title, and

(ii) how such contracts should be treated for purposes of such requirements.

(C) CONSULTATION.—In performing the reviews described in subparagraphs (A) and (B), the Commissions shall consult with the federal and State entities that regulate the issuers of stable value contracts.

(2) REGULATIONS. —The Commissions shall jointly prescribe regulations implementing the results of their review described in paragraph (1).

(3) LAW PRIOR TO REGULATIONS.—Until the date that is 12 months after the publication of the final regulations described in paragraph (2) (or such later date as is prescribed by the Commissions in such regulations), the requirements of this title shall be applied as if no stable value contract constituted a swap.

(b) DEFINITIONS.—For purposes of this section—

(1) COMMISSIONS.—The term “Commissions” means the U.S. Commodity Futures Trading Commission and the U.S. Securities and Exchange Commission.

(2) STABLE VALUE CONTRACT.—The term “stable value contract” means any contract, agreement, or transaction that provides a crediting interest rate and guaranty or financial assurance of liquidity at contract or book value prior to maturity offered by a bank, insurance company, or other State or federally regulated financial institution for the benefit of any individual or commingled fund available as an investment in a defined contribution plan (as defined in section 3(34) of the Employee Retirement Income Security Act of 1974), an eligible deferred compensation plan (as defined in section 457(b) of the Internal Revenue Code of 1986) that is maintained by an eligible employer described in section 457(e)(1)(A) of such Code, an arrangement described in section 403(b) of such Code, a qualified tuition program (as defined in section 529 of such Code), or any other retirement or savings arrangement.

(3) SWAP.—The term “swap” shall have the meaning given such term in [**cross-reference to the final bill’s provisions defining a swap.**]

(c) EFFECTIVE DATE.—This section shall apply as of the date of enactment of this Act.