

114TH CONGRESS  
1ST SESSION

# H. R. 1660

To amend the Home Owners' Loan Act to allow Federal savings associations to elect to operate as national banks, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2015

Mr. ROTHFUS (for himself and Mr. HIMES) introduced the following bill;  
which was referred to the Committee on Financial Services

---

## A BILL

To amend the Home Owners' Loan Act to allow Federal savings associations to elect to operate as national banks, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Savings Asso-  
5 ciation Charter Flexibility Act of 2015”.

6 **SEC. 2. OPTION FOR FEDERAL SAVINGS ASSOCIATIONS TO**  
7 **OPERATE AS A COVERED SAVINGS ASSOCIA-**  
8 **TION.**

9 The Home Owners' Loan Act is amended by inserting  
10 after section 5 (12 U.S.C. 1464) the following:

1 **“SEC. 5A. ELECTION TO OPERATE AS A COVERED SAVINGS**  
2 **ASSOCIATION.**

3 “(a) DEFINITION.—In this section, the term ‘covered  
4 savings association’ means a Federal savings association  
5 that makes an election approved under subsection (b).

6 “(b) ELECTION.—

7 “(1) IN GENERAL.—Upon issuance of the rules  
8 described in subsection (f), a Federal savings asso-  
9 ciation may elect to operate as a covered savings as-  
10 sociation by submitting a notice to the Comptroller  
11 of such election.

12 “(2) APPROVAL.—A Federal savings association  
13 shall be deemed to be approved to operate as a cov-  
14 ered savings association on the date that is 60 days  
15 after the date on which the Comptroller receives the  
16 notice under paragraph (1), unless the Comptroller  
17 notifies the Federal savings association otherwise.

18 “(c) RIGHTS AND DUTIES.—Notwithstanding any  
19 other provision of law and except as otherwise provided  
20 in this section, a covered savings association shall—

21 “(1) have the same rights and privileges as a  
22 national bank that has its main office situated in the  
23 same location as the home office of the covered sav-  
24 ings association; and

1           “(2) be subject to the same duties, restrictions,  
2           penalties, liabilities, conditions, and limitations that  
3           would apply to such a national bank.

4           “(d) TREATMENT OF COVERED SAVINGS ASSOCIA-  
5 TIONS.—A covered savings association shall be treated as  
6 a Federal savings association for the purposes—

7           “(1) of governance of the covered savings asso-  
8           ciation, including incorporation, bylaws, boards of  
9           directors, shareholders, and distribution of divi-  
10          dends;

11          “(2) of consolidation, merger, dissolution, con-  
12          version (including conversion to a stock bank or to  
13          another charter), conservatorship, and receivership;  
14          and

15          “(3) determined by regulation of the Comp-  
16          troller.

17          “(e) EXISTING BRANCHES.—A covered savings asso-  
18          ciation may continue to operate any branch or agency the  
19          covered savings association operated on the date on which  
20          an election under subsection (b) is approved.

21          “(f) RULEMAKING.—The Comptroller shall issue  
22          rules to carry out this section—

23                 “(1) that establish streamlined standards and  
24                 procedures that clearly identify required documenta-

1 tion or timelines for an election under subsection  
2 (b);

3 “(2) that require a Federal savings association  
4 that makes an election under subsection (b) to iden-  
5 tify specific assets and subsidiaries—

6 “(A) that do not conform to the require-  
7 ments for assets and subsidiaries of a national  
8 bank; and

9 “(B) that are held by the Federal savings  
10 association on the date on which the Federal  
11 savings association submits a notice of such  
12 election;

13 “(3) that establish—

14 “(A) a transition process for bringing such  
15 assets and subsidiaries into conformance with  
16 the requirements for a national bank; and

17 “(B) procedures for allowing the Federal  
18 savings association to provide a justification for  
19 grandfathering such assets and subsidiaries  
20 after electing to operate as a covered savings  
21 association;

22 “(4) that establish standards and procedures to  
23 allow a covered savings association to terminate an  
24 election under subsection (b) after an appropriate  
25 period of time or to make a subsequent election;

1           “(5) that clarify requirements for the treatment  
2           of covered savings associations, including the provi-  
3           sions of law that apply to covered savings associa-  
4           tions; and

5           “(6) as the Comptroller deems necessary and in  
6           the interests of safety and soundness.”.

○