

115TH CONGRESS  
1ST SESSION

# H. R. 3179

To require the appropriate Federal banking agencies, when issuing certain prudential regulations that are substantively more stringent than a corresponding international prudential standard to publish the rationale for doing so and a cost-benefit analysis of the difference, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2017

Mr. HOLLINGSWORTH introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To require the appropriate Federal banking agencies, when issuing certain prudential regulations that are substantively more stringent than a corresponding international prudential standard to publish the rationale for doing so and a cost-benefit analysis of the difference, 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 “Transparency and Ac-  
5       countability for Business Standards Act”.

1 **SEC. 2. COST-BENEFIT ANALYSIS REQUIREMENT FOR CER-**  
2 **TAIN PRUDENTIAL REGULATIONS.**

3 (a) **RULEMAKING REQUIREMENT.**—An appropriate  
4 Federal banking agency may not adopt or otherwise estab-  
5 lish a prudential regulation that is substantively more  
6 stringent than a corresponding international prudential  
7 standard unless the appropriate Federal banking agency  
8 publishes, for public notice and comment—

9 (1) a description of the agency’s rationale for  
10 doing so; and

11 (2) a comprehensive analysis of the costs and  
12 benefits of the difference between the prudential reg-  
13 ulation and the corresponding international pruden-  
14 tial standard, including—

15 (A) any impact on the pricing and avail-  
16 ability of credit in the aggregate and for spe-  
17 cific types of borrowers;

18 (B) any impact on liquidity in markets for  
19 financial instruments in the aggregate and for  
20 specific types of instruments;

21 (C) any impact of doing so on the competi-  
22 tiveness of affected institutions; and

23 (D) any impact on employment, economic  
24 growth, and the execution of monetary policy.

25 (b) **REQUIREMENTS WITH RESPECT TO SUPER-**  
26 **SEDED PRUDENTIAL REGULATIONS.**—An appropriate

1 Federal banking agency may not adopt or otherwise estab-  
2 lish a prudential regulation to implement an international  
3 standard that will result in a prudential regulation that  
4 is then in effect becoming a superseded prudential regula-  
5 tion, unless the appropriate Federal banking agency pub-  
6 lishes for public notice and comment—

7 (1) a proposal to repeal or amend the super-  
8 seded prudential regulation, or applicable part there-  
9 of; or

10 (2) if the appropriate Federal banking agency  
11 does not propose to repeal or amend the superseded  
12 prudential regulation, or applicable part thereof, a  
13 description of the agency's rationale for not doing  
14 so, which shall include a comprehensive analysis of  
15 the incremental costs and benefits of the superseded  
16 prudential regulation after the adoption of the pru-  
17 dential regulation to implement an international  
18 standard.

19 (c) LOOKBACK REQUIREMENT.—With respect to a  
20 final rule issued by an appropriate Federal banking agen-  
21 cy on or after January 1, 2007, but before the date of  
22 the enactment of this Act that established a prudential  
23 regulation that is substantively more stringent than a cor-  
24 responding international prudential standard, or that re-  
25 sulted in another prudential regulation becoming a super-

1 seded prudential regulation, each appropriate Federal  
2 banking agency shall, not later than the end of the 180-  
3 day period beginning on the date of the enactment of this  
4 Act, issue a report to the Congress (and make such report  
5 available on the website of the agency) with respect to  
6 such rule, containing the description and analysis de-  
7 scribed under paragraphs (1) and (2) of subsection (a)  
8 or paragraph (2) of subsection (b), as applicable.

9 (d) DEFINITIONS.—For purposes of this section:

10 (1) APPROPRIATE FEDERAL BANKING AGEN-  
11 CY.—The term “appropriate Federal banking agen-  
12 cy” has the meaning given that term under section  
13 3 of the Federal Deposit Insurance Act.

14 (2) BANKING ORGANIZATION.—The term  
15 “banking organization” means a depository institu-  
16 tion or a depository institution holding company, as  
17 such terms are defined, respectively, under section 3  
18 of the Federal Deposit Insurance Act.

19 (3) CORRESPONDING INTERNATIONAL PRUDEN-  
20 TIAL STANDARD.—The term “corresponding inter-  
21 national prudential standard” means an inter-  
22 national prudential standard on which a prudential  
23 regulation is based, from which a prudential regula-  
24 tion is derived, or to which a prudential regulation  
25 is otherwise substantively similar.

1           (4) PRUDENTIAL REGULATION.—The term  
2           “prudential regulation” means any rule or regula-  
3           tion relating to capital requirements, leverage re-  
4           quirements, liquidity requirements, or any similar  
5           requirements, including any rule or regulation that  
6           imposes any minimum requirement on a banking or-  
7           ganization’s amount of capital, debt, or liquid assets,  
8           either in absolute terms or as a ratio of any measure  
9           of assets, exposures, or cash inflows and outflows, or  
10          that conditions the ability of a banking organization  
11          to take any action or imposes any requirement based  
12          on any absolute or proportional measure of capital,  
13          leverage, debt, or liquidity.

14          (5) PRUDENTIAL REGULATION TO IMPLEMENT  
15          AN INTERNATIONAL STANDARD.—The term “pru-  
16          dential regulation to implement an international  
17          standard” means a prudential regulation that is  
18          based on, derived from, or otherwise substantively  
19          similar to an international prudential standard.

20          (6) INTERNATIONAL PRUDENTIAL STANDARD.—  
21          The term “international prudential standard” means  
22          any standard that has been adopted by an inter-  
23          national institution comprised of an appropriate  
24          Federal banking agency and banking supervisors or  
25          central banks of jurisdictions other than the United

1 States, including the Basel Committee on Banking  
2 Supervision and the Financial Stability Board, relat-  
3 ing to capital requirements, leverage requirements,  
4 liquidity requirements, or any similar requirements,  
5 including any standard that contemplates minimum  
6 requirements on a banking organization’s amount of  
7 capital, debt, or liquid assets, either in absolute  
8 terms or as a ratio of any measure of assets, expo-  
9 sures, or cash inflows and outflows, or that con-  
10 templates conditioning the ability of a banking orga-  
11 nization to take any action or imposing any require-  
12 ment based on any measure of capital, leverage,  
13 debt, or liquidity.

14 (7) SUPERSEDED PRUDENTIAL REGULATION.—  
15 The term “superseded prudential regulation” means  
16 a prudential regulation, with respect to which a pru-  
17 dential regulation to implement an international  
18 standard addresses or would address the same or  
19 similar risks or otherwise achieves or would achieve  
20 the same or similar goals.

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