

115TH CONGRESS  
1ST SESSION

# H. R. 4293

To reform the Comprehensive Capital Analysis and Review process, the Dodd-Frank Act Stress Test process, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 7, 2017

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

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## A BILL

To reform the Comprehensive Capital Analysis and Review process, the Dodd-Frank Act Stress Test process, 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 “Stress Test Improve-  
5 ment Act of 2017”.

6 **SEC. 2. CCAR AND DFAST REFORMS.**

7 Section 165(i) of the Dodd-Frank Wall Street Re-  
8 form and Consumer Protection Act (12 U.S.C. 5365(i))  
9 is amended—

10 (1) in paragraph (1)—

1 (A) in subparagraph (B)—

2 (i) by amending clause (i) to read as  
3 follows:

4 “(i) shall—

5 “(I) issue regulations, after pro-  
6 viding for public notice and comment,  
7 that provide for at least 3 different  
8 sets of conditions under which the  
9 evaluation required by this subsection  
10 shall be conducted, including baseline,  
11 adverse, and severely adverse, and  
12 methodologies, including models used  
13 to estimate losses on certain assets,  
14 and the Board of Governors shall not  
15 carry out any such evaluation until 60  
16 days after such regulations are issued;  
17 and

18 “(II) provide copies of such regu-  
19 lations to the Comptroller General of  
20 the United States and the Panel of  
21 Economic Advisors of the Congres-  
22 sional Budget Office before publishing  
23 such regulations;”;

24 (ii) in clause (iv), by striking “and” at  
25 the end;

1 (iii) in clause (v), by striking the pe-  
2 riod and inserting the following: “, includ-  
3 ing any results of a resubmitted test;”;

4 (iv) by adding at the end the fol-  
5 lowing:

6 “(vi) shall, in establishing the severely  
7 adverse condition under clause (i), provide  
8 detailed consideration of the model’s ef-  
9 fects on financial stability and the cost and  
10 availability of credit;

11 “(vii) shall, in developing the models  
12 and methodologies and providing them for  
13 notice and comment under this subpara-  
14 graph, publish a process to test the models  
15 and methodologies for their potential to  
16 magnify systemic and institutional risks in-  
17 stead of facilitating increased resiliency;

18 “(viii) shall design and publish a proc-  
19 ess to test and document the sensitivity  
20 and uncertainty associated with the model  
21 system’s data quality, specifications, and  
22 assumptions; and

23 “(ix) shall communicate the range and  
24 sources of uncertainty surrounding the  
25 models and methodologies.”; and

1 (B) by adding at the end the following:

2 “(C) CCAR REQUIREMENTS.—

3 “(i) PARAMETERS AND CON-  
4 SEQUENCES APPLICABLE TO CCAR.—The  
5 requirements of subparagraph (B) shall  
6 apply to CCAR.

7 “(ii) TWO-YEAR LIMITATION.—The  
8 Board of Governors may not subject a  
9 company to CCAR more than once every  
10 two years.

11 “(iii) MID-CYCLE RESUBMISSION.—If  
12 a company receives a quantitative objection  
13 to, or otherwise desires to amend the com-  
14 pany’s capital plan, the company may file  
15 a new streamlined plan at any time after  
16 a capital planning exercise has been com-  
17 pleted and before a subsequent capital  
18 planning exercise.

19 “(iv) LIMITATION ON QUALITATIVE  
20 CAPITAL PLANNING OBJECTIONS.—In car-  
21 rying out CCAR, the Board of Governors  
22 may not object to a company’s capital plan  
23 on the basis of qualitative deficiencies in  
24 the company’s capital planning process.

1                   “(v) COMPANY INQUIRIES.—The  
2                   Board of Governors shall establish and  
3                   publish procedures for responding to in-  
4                   quiries from companies subject to CCAR,  
5                   including establishing the time frame in  
6                   which such responses will be made, and  
7                   make such procedures publicly available.

8                   “(vi) CCAR DEFINED.—For purposes  
9                   of this subparagraph and subparagraph  
10                  (E), the term ‘CCAR’ means the Com-  
11                  prehensive Capital Analysis and Review es-  
12                  tablished by the Board of Governors.”; and

13                  (2) in paragraph (2)(A), by striking “semi-  
14                  annual” and inserting “annual”.

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