

Union Calendar No. 136

119TH CONGRESS
1ST SESSION

H. R. 3379

[Report No. 119–170]

To amend the Federal Financial Institutions Examination Council Act of 1978 to require the Federal financial institutions regulatory agencies to update the CAMELS Rating System, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 14, 2025

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

JUNE 25, 2025

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on May 14, 2025]

A BILL

To amend the Federal Financial Institutions Examination Council Act of 1978 to require the Federal financial institutions regulatory agencies to update the CAMELS Rating System, 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 “Halting Uncertain*
5 *Methods and Practices in Supervision Act of 2025” or the*
6 *“HUMPS Act of 2025”.*

7 **SEC. 2. FINDINGS.**

8 *Congress finds that—*

9 (1) *CAMELS ratings (Capital adequacy, Asset*
10 *quality, Management, Earnings, Liquidity, and Sen-*
11 *sitivity to market risk) are a critical tool for evalu-*
12 *ating the safety and soundness of financial institu-*
13 *tions, and the basis for determining significant regu-*
14 *latory matters such as the evaluation for mergers and*
15 *acquisitions and a bank’s deposit insurance pre-*
16 *miums;*

17 (2) *the CAMELS rating system relies heavily on*
18 *examiner judgment, which can lead to subjective and*
19 *inconsistent ratings across similar institutions;*

20 (3) *establishing clear, objective measures for each*
21 *CAMELS component and their relative weighting in*
22 *determining composite ratings will promote fairness,*
23 *consistency, and accountability in supervisory assess-*
24 *ments; and*

1 (4) *examination and supervision, as well as the*
 2 *CAMELS rating system, should focus on a financial*
 3 *institution’s core financial condition or solvency.*

4 **SEC. 3. AMENDMENTS TO THE CAMELS RATING SYSTEM.**

5 (a) *IN GENERAL.*—*The Federal Financial Institutions*
 6 *Examination Council Act of 1978 (12 U.S.C. 3301 et seq.)*
 7 *is amended by adding at the end the following:*

8 **“SEC. 1012. AMENDMENTS TO THE CAMELS RATING SYSTEM.**

9 “(a) *IN GENERAL.*—*The Council shall make rec-*
 10 *ommendations to amend the Uniform Financial Institu-*
 11 *tions Rating System, and the CAMELS components there-*
 12 *under, to—*

13 “(1) *establish clear and objective criteria for as-*
 14 *sessing each CAMELS component;*

15 “(2) *revise the factors affecting each CAMELS*
 16 *component to derive a composite rating that more ac-*
 17 *curately reflects the financial condition and risk pro-*
 18 *file of the financial institutions being rated;*

19 “(3) *either—*

20 “(A) *eliminate the management component*
 21 *of the CAMELS rating system; or*

22 “(B) *revise the management component of*
 23 *the CAMELS rating system to limit the assess-*
 24 *ment under such component to objective meas-*

1 ures of the governance and controls used to man-
2 age an institution’s risk profile;

3 “(4) ensure that composite ratings consider the
4 financial institution’s compliance with—

5 “(A) section 21 of the Federal Deposit In-
6 surance Act (12 U.S.C. 1829b);

7 “(B) chapter 2 of title I of Public Law 91-
8 508 (12 U.S.C. 1951 et seq.);

9 “(C) subchapter II of chapter 53 of title 31,
10 United States Code; and

11 “(D) any other applicable requirements and
12 implementing regulations relating to the preven-
13 tion of money laundering and terrorist financ-
14 ing; and

15 “(5) ensure that composite ratings are deter-
16 mined based on a transparent methodology that is
17 limited to the objective criteria established for each
18 CAMELS component.

19 “(b) RULEMAKING.—Not later than 12 months after
20 the Council makes the recommendations required under sub-
21 section (a), the Federal financial institutions regulatory
22 agencies shall, jointly, issue rules to carry out the rec-
23 ommendations described under subsection (a).

1 “(c) *PUBLIC COMMENT PERIOD.*—*In issuing the rules*
 2 *required under subsection (b), the Federal financial institu-*
 3 *tions regulatory agencies shall—*

4 “(1) *publish a notice of proposed rulemaking*
 5 *with respect to such rules; and*

6 “(2) *provide for a public comment period of not*
 7 *less than 90 days.*

8 “(d) *RULE OF CONSTRUCTION.*—*Nothing in this sec-*
 9 *tion may be construed to limit the authority of the Federal*
 10 *financial institutions regulatory agencies to take super-*
 11 *visory or enforcement actions to ensure the safety and*
 12 *soundness of financial institutions.”.*

13 (b) *WELL MANAGED DEFINITION.*—*Section 2(o)(9)(A)*
 14 *of the Bank Holding Company Act of 1956 (12 U.S.C.*
 15 *1841(o)(9)(A)) is amended—*

16 (1) *by striking “achievement of” and all that fol-*
 17 *lows through “a CAMEL” and inserting “achieve-*
 18 *ment of a CAMEL”;*

19 (2) *by striking “; and” and inserting a period;*
 20 *and*

21 (3) *by striking clause (ii).*

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