

Union Calendar No. 535

119TH CONGRESS
2^D SESSION

H. R. 6955

[Report No. 119-617]

To make improvements to the Federal banking laws, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2026

Mr. HILL of Arkansas (for himself, Mr. BARR, Mr. HUIZENGA, Mr. LUCAS, Mr. SESSIONS, Mrs. WAGNER, Mr. WILLIAMS of Texas, Mr. EMMER, Mr. LOUDERMILK, Mr. DAVIDSON, Mr. ROSE, Mr. STEIL, Mr. TIMMONS, Mr. STUTZMAN, Mr. NORMAN, Mr. MEUSER, Mrs. KIM, Mr. DONALDS, Mr. GARBARINO, Mr. FITZGERALD, Mr. FLOOD, Mr. LAWLER, Ms. DE LA CRUZ, Mr. OGLES, Mr. NUNN of Iowa, Mrs. MCCLAIN, Ms. SALAZAR, Mr. DOWNING, Mr. HARIDOPOLOS, and Mr. MOORE of North Carolina) introduced the following bill; which was referred to the Committee on Financial Services

APRIL 20, 2026

Additional sponsors: Mr. KENNEDY of Utah, Mr. KNOTT, Mr. CALVERT, and Mrs. FEDORCHAK

APRIL 20, 2026

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 *italie*]

[For text of introduced bill, see copy of bill as introduced on January 7, 2026]

A BILL

To make improvements to the Federal banking laws, 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; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Main Street Capital Access Act” or the “Main Street Act”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

TITLE I—NEW BANK FORMATION AND LOCAL COMMUNITY ACCESS

Sec. 101. Promoting New Bank Formation.

Sec. 102. New Bank Application Numbers Knowledge.

Sec. 103. Rural Depositories Revitalization Studies.

Sec. 104. Community Investment and Prosperity.

Sec. 105. CDFI Fund Transparency.

Sec. 106. CDFI Bond Guarantee Improvement.

TITLE II—TAILORING BANK REGULATION

Sec. 201. Taking Account of Institutions with Low Operation Risk.

Sec. 202. Small Bank Holding Company Relief.

Sec. 203. Community Bank Leverage Improvement and Flexibility for Trans-
parency.

Sec. 204. Tailoring and Indexing Enhanced Regulations.

Sec. 205. Community Bank Regulatory Tailoring.

Sec. 206. Credit Union Board Modernization.

TITLE III—FAIR AND TRANSPARENT BANK SUPERVISION

Sec. 301. Halting Uncertain Methods and Practices in Supervision.

Sec. 302. Fair Audits and Inspections for Regulators’ Exams.

Sec. 303. Supervisory Modifications for Appropriate Risk-based Testing.

Sec. 304. Tailored Regulatory Updates for Supervisory Testing.

Sec. 305. Financial Integrity and Regulation Management.

TITLE IV—REGULATORY ACCOUNTABILITY AND TRANSPARENCY

Sec. 401. FDIC Board Accountability.

Sec. 402. Stop Agency Fiat Enforcement of Guidance.

Sec. 403. Regulatory Efficiency, Verification, Itemization, and Enhanced
Workflow.

Sec. 404. American Financial Institution Regulatory Sovereignty and Trans-
parency.

TITLE V—STRENGTHENING LOCAL BANK FUNDING

Sec. 501. Bringing the Discount Window into the 21st Century.

Sec. 502. Keeping Deposits Local.

Sec. 503. Community Bank Deposit Access.

TITLE VI—PROMOTING BANK COMPETITION AND MERGER CLARITY

Sec. 601. Bank Competition Modernization.

Sec. 602. Merger Agreement Approvals Clarity and Predictability.

Sec. 603. Merger Process Review.

Sec. 604. Bank Failure Prevention.

**TITLE VII—STRENGTHENING TRANSPARENCY AND INVOLVEMENT IN
BANK RESOLUTIONS**

Sec. 701. Least Cost Exception.

Sec. 702. Enhancing Bank Resolution Participation.

Sec. 703. Failing Bank Acquisition Fairness.

Sec. 704. Systemic Risk Authority Transparency.

TITLE VIII—FACILITATING INNOVATION AND BANK PARTNERSHIPS

Sec. 801. Merchant Banking Modernization.

Sec. 802. Bank-Fintech Partnership Enhancement.

**1 TITLE I—NEW BANK FORMATION
2 AND LOCAL COMMUNITY ACCESS**

3 SEC. 101. PROMOTING NEW BANK FORMATION.

4 (a) PHASE-IN OF CAPITAL STANDARDS.—Notwith-
5 standing any other provision of law, the Federal banking
6 agencies shall issue rules that provide for a 3-year phase-
7 in period for a depository institution or depository institu-
8 tion holding company to meet any Federal capital require-
9 ments that would otherwise be applicable to the depository
10 institution or depository institution holding company, be-
11 ginning on—

12 (1) the date on which the depository institution
13 became an insured depository institution; or

14 (2) in the case of a depository institution hold-
15 ing company, the date on which the depository insti-

1 *tution subsidiary of the depository institution holding*
2 *company became an insured depository institution.*

3 *(b) CHANGES TO BUSINESS PLANS.—*

4 *(1) IN GENERAL.—During the 3-year period be-*
5 *ginning on the date on which a depository institution*
6 *became an insured depository institution, if, as a con-*
7 *dition of approval, the appropriate Federal banking*
8 *agency imposes a requirement to obtain prior ap-*
9 *proval before deviating from a business plan, the in-*
10 *sured depository institution or its depository institu-*
11 *tion holding company may request to deviate materi-*
12 *ally from a business plan that has been approved by*
13 *the appropriate Federal banking agency by submit-*
14 *ting a request to such agency pursuant to this section.*

15 *(2) REVIEW OF CHANGES.—The appropriate*
16 *Federal banking agency shall, not later than the end*
17 *of the 30-day period beginning on the receipt of a re-*
18 *quest under paragraph (1)—*

19 *(A) approve, conditionally approve, or deny*
20 *such request; and*

21 *(B) notify the applicant of such decision*
22 *and, if the agency denies the request—*

23 *(i) provide the applicant with the rea-*
24 *son for such denial; and*

1 (ii) suggest changes to the request that,
 2 if adopted, would allow the agency to ap-
 3 prove such request.

4 (3) *RESULT OF FAILURE TO ACT.*—If an appro-
 5 priate Federal banking agency fails to approve or
 6 deny a request within the 30-day period required
 7 under paragraph (2), such request shall be deemed to
 8 be approved.

9 (c) *RURAL COMMUNITY DEPOSITORY INSTITUTION LE-*
 10 *VERAGE RATIO.*—

11 (1) *IN GENERAL.*—During the 3-year period be-
 12 ginning on the date on which a rural depository in-
 13 stitution became an insured depository institution,
 14 the Community Bank Leverage Ratio for the rural
 15 community bank shall be the lesser of—

16 (A) the Community Bank Leverage Ratio
 17 adopted by the Federal banking agencies pursu-
 18 ant to section 201(b)(1) of the Economic Growth,
 19 Regulatory Relief, and Consumer Protection Act
 20 (12 U.S.C. 5371 note); or

21 (B) 7.5 percent.

22 (2) *PHASE-IN AUTHORITY.*—The Federal banking
 23 agencies shall issue rules to phase-in the Community
 24 Bank Leverage Ratio described under paragraph (1)
 25 with respect to a rural depository institution by set-

1 *ting lower Community Bank Leverage Ratio percent-*
 2 *ages during the first 2 years of the 3-year period de-*
 3 *scribed under paragraph (1).*

4 (3) *DEFINITIONS.—In this subsection:*

5 (A) *COMMUNITY BANK LEVERAGE RATIO.—*

6 *The term “Community Bank Leverage Ratio”*
 7 *has the meaning given that term under section*
 8 *201(a) of the Economic Growth, Regulatory Re-*
 9 *lief, and Consumer Protection Act (12 U.S.C.*
 10 *5371 note).*

11 (B) *RURAL AREA.—The term “rural area”*

12 *means—*

13 (i) *a county that is neither in a metro-*
 14 *politan statistical area nor in a*
 15 *micropolitan statistical area that is adja-*
 16 *cent to a metropolitan statistical area, as*
 17 *those terms are defined by the Office of*
 18 *Management and Budget and as they are*
 19 *applied under applicable Urban Influence*
 20 *Codes, established by the Department of Ag-*
 21 *riculture’s Economic Research Service; or*

22 (ii) *a census block that is not in an*
 23 *urban area, as defined by the Bureau of the*
 24 *Census using the latest decennial census of*
 25 *the United States.*

1 (C) *RURAL DEPOSITORY INSTITUTION.*—*The*
 2 *term “rural depository institution” means a de-*
 3 *pository institution—*

4 (i) *with total consolidated assets of less*
 5 *than \$10,000,000,000; and*

6 (ii) *located in a rural area.*

7 (d) *AGRICULTURAL LOAN AUTHORITY FOR FEDERAL*
 8 *SAVINGS ASSOCIATIONS.*—*Section 5(c) of the Home Own-*
 9 *ers’ Loan Act (12 U.S.C. 1464(c)) is amended—*

10 (1) *in paragraph (1), by adding at the end the*
 11 *following:*

12 “(V) *AGRICULTURAL LOANS.*—*Secured or*
 13 *unsecured loans for agricultural purposes.”; and*

14 (2) *in paragraph (2)(A), by striking “business,*
 15 *or agricultural” and inserting “or business”.*

16 (e) *STUDY ON DE NOVO INSURED DEPOSITORY INSTI-*
 17 *TUTIONS.*—

18 (1) *STUDY.*—*The Federal banking agencies shall,*
 19 *jointly, carry out a study on—*

20 (A) *the principal causes for the low number*
 21 *of de novo insured depository institutions in the*
 22 *10-year period ending on the date of enactment*
 23 *of this Act; and*

1 (B) ways to promote more de novo insured
2 depository institutions in areas currently under-
3 served by insured depository institutions.

4 (2) *REPORT TO CONGRESS.*—Not later than the
5 end of the 1-year period beginning on the date of en-
6 actment of this Act, the Federal banking agencies
7 shall, jointly, issue a report to the Committee on Fi-
8 nancial Services of the House of Representatives and
9 the Committee on Banking, Housing, and Urban Af-
10 fairs of the Senate containing all findings and deter-
11 minations made in carrying out the study required
12 under paragraph (1).

13 (f) *DEFINITIONS.*—In this section, the terms “appro-
14 priate Federal banking agency”, “depository institution”,
15 “depository institution holding company”, “Federal bank-
16 ing agency”, and “insured depository institution” have the
17 meaning given those terms, respectively, under section 3 of
18 the Federal Deposit Insurance Act (12 U.S.C. 1813).

19 **SEC. 102. NEW BANK APPLICATION NUMBERS KNOWLEDGE.**

20 (a) *ANNUAL REPORT ON NATIONAL BANK AND FED-*
21 *ERAL SAVINGS ASSOCIATION CHARTER APPLICATIONS.*—
22 The Comptroller of the Currency shall publish an annual
23 report that includes the following, or with respect to any
24 equivalent procedure used by the Office of the Comptroller
25 of the Currency includes the following:

1 (1) *The number of applications for a national*
 2 *bank or Federal savings association charter received,*
 3 *approved on a preliminary basis, approved on a final*
 4 *basis, denied, withdrawn, inactive, expired, mooted,*
 5 *returned, returned pending resubmission, or otherwise*
 6 *dispositioned.*

7 (2) *The mean and median times for preliminary*
 8 *approval of such applications.*

9 (3) *The mean and median times for final ap-*
 10 *proval of such applications.*

11 (4) *To the extent practicable, common reasons*
 12 *leading to the denial, withdrawal, or expiration of*
 13 *preliminary approval of such applications.*

14 (b) *ANNUAL REPORT ON FEDERAL CREDIT UNION*
 15 *CHARTER APPLICATIONS.—The National Credit Union Ad-*
 16 *ministration shall publish an annual report that includes*
 17 *the following, or with respect to any equivalent procedure*
 18 *used by the Board includes the following:*

19 (1) *The number of Federal credit union charter*
 20 *applications received, approved on a final basis, de-*
 21 *nied, withdrawn, inactive, or returned pending resub-*
 22 *mission.*

23 (2) *The mean and median times for final ap-*
 24 *proval of such applications.*

1 (3) *To the extent practicable, common reasons*
 2 *leading to application denial, withdrawal, inactivity,*
 3 *or to applications being returned for resubmission.*

4 (c) *ANNUAL REPORT ON DEPOSITORY INSTITUTION*
 5 *HOLDING COMPANY APPLICATIONS.—*

6 (1) *IN GENERAL.—The Board of Governors of the*
 7 *Federal Reserve System shall publish an annual re-*
 8 *port that includes the following, or with respect to*
 9 *any equivalent procedure used by the Board of Gov-*
 10 *ernors includes the following:*

11 (A) *The number of applications to become a*
 12 *top-tier depository institution holding company*
 13 *received, approved on a preliminary basis, ap-*
 14 *proved on a final basis, denied, withdrawn, in-*
 15 *active, expired, mooted, returned, returned pend-*
 16 *ing resubmission, or otherwise dispositioned.*

17 (B) *The mean and median times to approve*
 18 *such applications.*

19 (C) *To the extent practicable, common rea-*
 20 *sons leading to denial or withdrawal of such ap-*
 21 *plications.*

22 (2) *TOP-TIER DEPOSITORY INSTITUTION HOLD-*
 23 *ING COMPANY DEFINED.—In this subsection, the term*
 24 *“top-tier depository institution holding company”*
 25 *means a depository institution holding company (as*

1 *defined in section 3 of the Federal Deposit Insurance*
 2 *Act (12 U.S.C. 1813)) that is not controlled by any*
 3 *other depository institution holding company.*

4 *(d) ANNUAL REPORT ON FEDERAL DEPOSIT INSUR-*
 5 *ANCE APPLICATIONS.—The Federal Deposit Insurance Cor-*
 6 *poration shall publish an annual report that includes the*
 7 *following, or with respect to any equivalent procedure used*
 8 *by the Corporation includes the following:*

9 *(1) The number of applications for deposit insur-*
 10 *ance received, approved on a preliminary basis, ap-*
 11 *proved on a final basis, denied, withdrawn, inactive,*
 12 *expired, mooted, returned, returned pending resubmis-*
 13 *sion, or otherwise dispositioned.*

14 *(2) The mean and median times to approve such*
 15 *applications.*

16 *(3) To the extent practicable, common reasons*
 17 *leading to denial or withdrawal of such applications.*

18 *(e) ANNUAL REPORT ON STATE DEPOSITORY INSTITU-*
 19 *TION AND STATE CREDIT UNION CHARTER APPLICA-*
 20 *TIONS.—*

21 *(1) IN GENERAL.—The Board of Governors of the*
 22 *Federal Reserve System, the Federal Deposit Insur-*
 23 *ance Corporation, and the National Credit Union Ad-*
 24 *ministration Board shall, jointly, and in consultation*
 25 *with State banking regulators and State credit union*

1 regulators, publish an annual report that includes the
 2 following, or with respect to any equivalent procedure
 3 used by such agencies includes the following:

4 (A) The number of applications for a State
 5 depository institution charter received, approved
 6 on a preliminary basis, approved on a final
 7 basis, denied, withdrawn, inactive, expired,
 8 mooted, returned, returned pending resubmis-
 9 sion, or otherwise dispositioned.

10 (B) The mean and median times to approve
 11 such applications, with times for each State
 12 shown separately.

13 (C) To the extent practicable, common rea-
 14 sons leading to denial or withdrawal of such ap-
 15 plications.

16 (2) DEFINITIONS.—In this subsection:

17 (A) STATE.—The term “State” means any
 18 State of the United States, the District of Colum-
 19 bia, and any territory of the United States.

20 (B) STATE DEPOSITORY INSTITUTION.—The
 21 term “State depository institution” means—

22 (i) a State depository institution, as
 23 defined in section 3 of the Federal Deposit
 24 Insurance Act (12 U.S.C. 1813); and

1 (ii) a State credit union, as defined in
2 section 101 of the Federal Credit Union Act
3 (12 U.S.C. 1752).

4 **SEC. 103. RURAL DEPOSITORY REVITALIZATION STUDIES.**

5 (a) *STUDY ON RURAL DEPOSITORY INSTITUTIONS.*—

6 *The Federal banking agencies shall, jointly, carry out a*
7 *study—*

8 (1) *to identify methods to improve the growth,*
9 *capital adequacy, and profitability of depository in-*
10 *stitutions in the United States that primarily serve*
11 *rural areas; and*

12 (2) *to identify Federal statutes (other than ap-*
13 *propriations Acts) or regulations of the Federal bank-*
14 *ing agencies that limit—*

15 (A) *the methods identified under paragraph*

16 (1); or

17 (B) *the establishment of de novo depository*
18 *institutions in rural areas.*

19 (b) *REPORT ON RURAL DEPOSITORY INSTITUTIONS.*—

20 *Not later than 1 year after the date of enactment of this*
21 *Act, the Federal banking agencies shall, jointly, issue a re-*
22 *port to the Committee on Financial Services of the House*
23 *of Representatives and the Committee on Banking, Hous-*
24 *ing, and Urban Affairs of the Senate containing all find-*

1 *ings and determinations made in carrying out the study*
 2 *required under subsection (a).*

3 *(c) STUDY ON RURAL CREDIT UNIONS.—The National*
 4 *Credit Union Administration shall carry out a study—*

5 *(1) to identify methods to improve the growth,*
 6 *capital adequacy, and profitability of insured credit*
 7 *unions in the United States that primarily serve*
 8 *rural areas; and*

9 *(2) to identify Federal statutes (other than ap-*
 10 *propriations Acts) or regulations of the National*
 11 *Credit Union Administration that limit—*

12 *(A) the methods identified under paragraph*
 13 *(1); or*

14 *(B) the establishment of de novo insured*
 15 *credit unions in rural areas.*

16 *(d) REPORT ON RURAL CREDIT UNIONS.—Not later*
 17 *than 1 year after the date of enactment of this Act, the Na-*
 18 *tional Credit Union Administration shall issue a report to*
 19 *the Committee on Financial Services of the House of Rep-*
 20 *resentatives and the Committee on Banking, Housing, and*
 21 *Urban Affairs of the Senate containing all findings and de-*
 22 *terminations made in carrying out the study required*
 23 *under subsection (c).*

24 *(e) DEFINITIONS.—In this section:*

1 (1) *DEPOSITORY INSTITUTION*.—The term “de-
2 pository institution” has the meaning given that term
3 in section 3 of the Federal Deposit Insurance Act (12
4 U.S.C. 1813).

5 (2) *FEDERAL BANKING AGENCIES*.—The term
6 “Federal banking agencies” means the Board of Gov-
7 ernors of the Federal Reserve System, the Comptroller
8 of the Currency, and the Federal Deposit Insurance
9 Corporation.

10 (3) *INSURED CREDIT UNION*.—The term “insured
11 credit union” has the meaning given that term in sec-
12 tion 101 of the Federal Credit Union Act (12 U.S.C.
13 1752).

14 (4) *RURAL AREA*.—The term “rural area”
15 means—

16 (A) a county that is neither in a metropoli-
17 tan statistical area nor in a micropolitan statis-
18 tical area that is adjacent to a metropolitan sta-
19 tistical area, as those terms are defined by the
20 Office of Management and Budget and as they
21 are applied under applicable Urban Influence
22 Codes, established by the Department of Agri-
23 culture’s Economic Research Service; or

24 (B) a census block that is not in an urban
25 area, as defined by the Bureau of the Census

1 *using the latest decennial census of the United*
 2 *States.*

3 **SEC. 104. COMMUNITY INVESTMENT AND PROSPERITY.**

4 *(a) REVISED STATUTES OF THE UNITED STATES.—*
 5 *The paragraph designated as the “Eleventh” of section 5136*
 6 *of the Revised Statutes of the United States (12 U.S.C. 24)*
 7 *is amended, in the fifth sentence, by striking “15” each*
 8 *place that term appears and inserting “20”.*

9 *(b) FEDERAL RESERVE ACT.—The 23rd paragraph of*
 10 *section 9 of the Federal Reserve Act (12 U.S.C. 338a) is*
 11 *amended, in the fifth sentence, by striking “15” each place*
 12 *that term appears and inserting “20”.*

13 **SEC. 105. CDFI FUND TRANSPARENCY.**

14 *Section 104(b) of the Riegle Community Development*
 15 *and Regulatory Improvement Act of 1994 (12 U.S.C.*
 16 *4703(b)) is amended by adding to the end the following:*

17 *“(5) ANNUAL TESTIMONY.—The Secretary of the*
 18 *Treasury (or a designee of the Secretary) shall, at the*
 19 *discretion of the Chair of the Committee on Financial*
 20 *Services of the House of Representatives and the*
 21 *Chair of the Committee on Banking, Housing, and*
 22 *Urban Affairs of the Senate, annually testify before*
 23 *such committees (or a subcommittee of such commit-*
 24 *tees) regarding the operations of the Fund during the*
 25 *previous year.”.*

1 **SEC. 106. CDFI BOND GUARANTEE IMPROVEMENT.**

2 (a) *SENSE OF CONGRESS.*—*It is the sense of Congress*
 3 *that the authority to guarantee bonds under section 114A*
 4 *of the Community Development Banking and Financial In-*
 5 *stitutions Act of 1994 (12 U.S.C. 4713a) (commonly re-*
 6 *ferred to as the “CDFI Bond Guarantee Program”) pro-*
 7 *vides community development financial institutions with a*
 8 *sustainable source of long-term capital and furthers the*
 9 *mission of the Community Development Financial Institu-*
 10 *tions Fund (established under section 104(a) of such Act*
 11 *(12 U.S.C. 4703(a))) to increase economic opportunity and*
 12 *promote community development investments for under-*
 13 *served populations and distressed communities in the*
 14 *United States.*

15 (b) *GUARANTEES FOR BONDS AND NOTES ISSUED FOR*
 16 *COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSES.*—

17 (1) *IN GENERAL.*—*Section 114A of the Commu-*
 18 *nity Development Banking and Financial Institu-*
 19 *tions Act of 1994 (12 U.S.C. 4713a) is amended—*

20 (A) *in subsection (c)(2)—*

21 (i) *by striking “, multiplied by an*
 22 *amount equal to the outstanding principal*
 23 *balance of issued notes or bonds”; and*

24 (ii) *by inserting “outstanding” before*
 25 *“principal amount”;*

1 (B) by amending subsection (e)(2) to read
2 as follows:

3 “(2) *LIMITATION ON GUARANTEE AMOUNT.*—*The*
4 *Secretary may not guarantee any amount under the*
5 *Program equal to an amount less than \$25,000,000,*
6 *but the total of all such guarantees in any fiscal year*
7 *may not exceed \$1,000,000,000.”;*

8 (C) in subsection (g)(1), by striking “10
9 basis points” and inserting “not fewer than 10
10 basis points and not more than 15 basis points”;
11 and

12 (D) in subsection (k), by striking “Sep-
13 tember 30, 2014” and inserting “December 31,
14 2028”.

15 (2) *CLERICAL AMENDMENT.*—*The table of con-*
16 *tents in section 1(b) of the Riegle Community Devel-*
17 *opment and Regulatory Improvement Act of 1994*
18 *(Public Law 103–325; 108 Stat. 2160) is amended by*
19 *inserting after the item relating to section 114 the fol-*
20 *lowing:*

“Sec. 114A. *Guarantees for bonds and notes issued for community or economic
development purposes.*”.

21 (c) *REPORT ON THE CDFI BOND GUARANTEE PRO-*
22 *GRAM.*—*Not later than 3 years after the date of enactment*
23 *of this Act, the Secretary of the Treasury shall issue a report*
24 *to the Committee on Banking, Housing, and Urban Affairs*

1 *of the Senate and the Committee on Financial Services of*
 2 *the House of Representatives on the effectiveness of the*
 3 *CDFI bond guarantee program established under section*
 4 *114A of the Community Development Banking and Finan-*
 5 *cial Institutions Act of 1994 (12 U.S.C. 4713a).*

6 ***TITLE II—TAILORING BANK*** 7 ***REGULATION***

8 ***SEC. 201. TAKING ACCOUNT OF INSTITUTIONS WITH LOW*** 9 ***OPERATION RISK.***

10 ***(a) TAILORING REGULATION TO BUSINESS MODEL*** 11 ***AND RISK.—***

12 ***(1) DEFINITIONS.—In this subsection—***

13 ***(A) the term “Federal financial institutions***
 14 ***regulatory agency” means the Office of the***
 15 ***Comptroller of the Currency, the Board of Gov-***
 16 ***ernors of the Federal Reserve System, the Federal***
 17 ***Deposit Insurance Corporation, the National***
 18 ***Credit Union Administration, and the Bureau of***
 19 ***Consumer Financial Protection; and***

20 ***(B) the term “regulatory action”—***

21 ***(i) means any proposed, interim, or***
 22 ***final rule or regulation; and***

23 ***(ii) does not include any action taken***
 24 ***by a Federal financial institutions regu-***
 25 ***latory agency that is solely applicable to an***

1 *individual institution, including an en-*
2 *forcement action, adjudication, or order.*

3 (2) *CONSIDERATION AND TAILORING.—For any*
4 *regulatory action occurring after the date of enact-*
5 *ment of this Act, each Federal financial institutions*
6 *regulatory agency shall—*

7 (A) *take into consideration the risk profile*
8 *and business models of each type of institution*
9 *or class of institutions subject to the regulatory*
10 *action; and*

11 (B) *tailor the regulatory action applicable*
12 *to an institution, or type of institution, in a*
13 *manner that limits the regulatory impact, in-*
14 *cluding cost, human resource allocation, and*
15 *other burdens, on the institution or type of insti-*
16 *tution as is appropriate for the risk profile and*
17 *business model involved.*

18 (3) *FACTORS TO CONSIDER.—In carrying out the*
19 *requirements of paragraph (2) with respect to a regu-*
20 *latory action, each Federal financial institutions reg-*
21 *ulatory agency shall consider—*

22 (A) *the aggregate effect of all applicable reg-*
23 *ulatory actions on the ability of institutions to*
24 *flexibly serve customers of the institutions and*

1 *local markets on and after the date of enactment*
2 *of this Act;*

3 *(B) the potential that efforts to implement*
4 *the regulatory action and third-party service*
5 *provider actions may work to undercut efforts to*
6 *tailor the regulatory action, as described in*
7 *paragraph (2)(B); and*

8 *(C) the statutory provision authorizing the*
9 *regulatory action, the congressional intent with*
10 *respect to the statutory provision, and the under-*
11 *lying policy objectives of the regulatory action.*

12 *(4) NOTICE OF PROPOSED AND FINAL RULE-*
13 *MAKING.—Each Federal financial institutions regu-*
14 *latory agency shall disclose and document in every*
15 *notice of proposed rulemaking and in any final rule-*
16 *making for a regulatory action how the agency has*
17 *applied paragraphs (2) and (3).*

18 *(5) REPORTS TO CONGRESS.—*

19 *(A) AGENCY REPORTING.—Not later than 1*
20 *year after the date of enactment of this Act and*
21 *annually thereafter, each Federal financial insti-*
22 *tutions regulatory agency shall submit to the*
23 *Committee on Banking, Housing, and Urban Af-*
24 *airs of the Senate and the Committee on Finan-*
25 *cial Services of the House of Representatives a*

1 *report on the specific actions taken to tailor the*
 2 *regulatory actions of the Federal financial insti-*
 3 *tutions regulatory agency pursuant to the re-*
 4 *quirements of this section.*

5 *(B) GAO REPORTING.—Not later than 18*
 6 *months after the date of enactment of this Act,*
 7 *the Comptroller General of the United States*
 8 *shall submit to the Committee on Banking,*
 9 *Housing, and Urban Affairs of the Senate and*
 10 *the Committee on Financial Services of the*
 11 *House of Representatives a report evaluating the*
 12 *effects of this section on the factors described in*
 13 *paragraph (3).*

14 *(b) SHORT-FORM CALL REPORTS FOR ALL BANKS ELI-*
 15 *GIBLE FOR THE COMMUNITY BANK LEVERAGE RATIO.—The*
 16 *appropriate Federal banking agencies, as defined in section*
 17 *3 of the Federal Deposit Insurance Act (12 U.S.C. 1813),*
 18 *shall promulgate regulations establishing a reduced report-*
 19 *ing requirement for all banks eligible for the Community*
 20 *Bank Leverage Ratio, as defined in section 201(a) of the*
 21 *Economic Growth, Regulatory Relief, and Consumer Pro-*
 22 *tection Act (12 U.S.C. 5371 note), when making the first*
 23 *and third report of condition of a year as required by sec-*
 24 *tion 7(a) of the Federal Deposit Insurance Act (12 U.S.C.*
 25 *1817(a)).*

1 (c) *REPORT TO CONGRESS ON MODERNIZATION OF SU-*
 2 *PERVISION.*—Not later than 18 months after the date of en-
 3 actment of this Act, the appropriate Federal banking agen-
 4 cies, as defined in section 3 of the Federal Deposit Insur-
 5 ance Act (12 U.S.C. 1813), in consultation with State bank
 6 supervisors, shall submit to the Committee on Banking,
 7 Housing, and Urban Affairs of the Senate and the Com-
 8 mittee on Financial Services of the House of Representa-
 9 tives a report on the modernization of bank supervision,
 10 including the following factors:

- 11 (1) *Changing bank business models.*
- 12 (2) *Examiner workforce and training.*
- 13 (3) *The structure of supervisory activities within*
 14 *banking agencies.*
- 15 (4) *Improving bank-supervisor communication*
 16 *and collaboration.*
- 17 (5) *The use of supervisory technology.*
- 18 (6) *Supervisory factors uniquely applicable to*
 19 *community banks.*
- 20 (7) *Changes in statutes necessary to achieve more*
 21 *effective supervision.*

22 **SEC. 202. SMALL BANK HOLDING COMPANY RELIEF.**

23 Not later than 180 days after the date of the enactment
 24 of this Act, the Board of Governors of the Federal Reserve
 25 System shall revise appendix C to part 225 of title 12, Code

1 of *Federal Regulations* (commonly known as the “Small
 2 *Bank Holding Company and Savings and Loan Holding*
 3 *Company Policy Statement*”), to raise the consolidated
 4 asset threshold under that appendix to \$6,000,000,000 for
 5 any bank holding company or savings and loan holding
 6 company.

7 **SEC. 203. COMMUNITY BANK LEVERAGE IMPROVEMENT AND**
 8 **FLEXIBILITY FOR TRANSPARENCY.**

9 (a) *COMMUNITY BANK LEVERAGE RATIO.*—

10 (1) *IN GENERAL.*—Section 201 of the *Economic*
 11 *Growth, Regulatory Relief, and Consumer Protection*
 12 *Act* (12 U.S.C. 5371 note) is amended—

13 (A) in subsection (a)(3)(A), by striking
 14 “\$10,000,000,000” and inserting
 15 “\$15,000,000,000”; and

16 (B) in subsection (b)(1), by striking “not
 17 less than 8 percent and not more than 10 per-
 18 cent” and inserting “not less than 6 percent and
 19 not more than 9 percent”.

20 (2) *RULEMAKING DEADLINE.*—Not later than the
 21 end of the 180-day period beginning on the date of
 22 enactment of this Act, and after reviewing the report
 23 issued pursuant to subsection (b)(2), the Board of
 24 Governors of the Federal Reserve System, the Comp-
 25 troller of the Currency, and the Federal Deposit In-

1 *surance Corporation shall propose and, not later than*
 2 *1 year after the date of the enactment of this Act,*
 3 *such agencies shall finalize rules to carry out the*
 4 *amendments made by paragraph (1) and the rec-*
 5 *ommended modifications contained in such report.*

6 *(b) REVIEW OF THE COMMUNITY BANK LEVERAGE*
 7 *RATIO.—*

8 *(1) IN GENERAL.—The Board of Governors of the*
 9 *Federal Reserve System, the Comptroller of the Cur-*
 10 *rency, and the Federal Deposit Insurance Corporation*
 11 *shall commence a review of the Community Bank Le-*
 12 *verage Ratio (“CBLR”) developed under section 201*
 13 *of the Economic Growth, Regulatory Relief, and Con-*
 14 *sumer Protection Act (12 U.S.C. 5371 note), and*
 15 *rules issued thereunder, which shall include a consid-*
 16 *eration of how to modify and calibrate the CBLR to*
 17 *encourage more qualifying community banks to opt-*
 18 *in to the CBLR framework, with an additional focus*
 19 *on—*

20 *(A) those qualifying community banks with*
 21 *fewer assets; and*

22 *(B) providing regulatory compliance burden*
 23 *relief so that the CBLR is simple to apply.*

24 *(2) REPORT.—Not later than the end of the 150-*
 25 *day period beginning on the date of enactment of this*

1 *Act, the Board of Governors of the Federal Reserve*
2 *System, the Comptroller of the Currency, and the*
3 *Federal Deposit Insurance Corporation shall issue a*
4 *report to the Committee on Financial Services of the*
5 *House of Representatives and the Committee on*
6 *Banking, Housing, and Urban Affairs of the Senate*
7 *containing—*

8 *(A) all findings and determinations made*
9 *in carrying out the review under paragraph (1);*

10 *and*

11 *(B) specific recommendations on modifica-*
12 *tions, if any, to—*

13 *(i) the calculation of the numerator*
14 *and denominator of the CBLR;*

15 *(ii) the treatment of specific asset*
16 *classes or exposures to better reflect the risk*
17 *profiles of community banks;*

18 *(iii) the definition of and qualifying*
19 *criteria for a qualifying community bank;*

20 *(iv) enhancements to the procedures for*
21 *opting into or out of the CBLR framework,*
22 *including streamlined reporting and transi-*
23 *tion mechanisms;*

(v) the grace period to facilitate the transition to and from a modified CBLR regime; and

(vi) any statutory changes that may be needed to address such recommendations.

(3) *QUALIFYING COMMUNITY BANK DEFINED.*—In this subsection, the term “qualifying community bank” has the meaning given that term in section 201(a)(3)(A) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (12 U.S.C. 5371 note).

SEC. 204. TAILORING AND INDEXING ENHANCED REGULATIONS.

(a) *THRESHOLD ADJUSTMENTS TO ACCOUNT FOR HISTORICAL INCREASES IN CURRENT-DOLLAR UNITED STATES GROSS DOMESTIC PRODUCT.*—

(1) *FEDERAL RESERVE ACT.*—Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended—

(A) by redesignating the second subsection (s) (relating to assessments) as subsection (t); and

(B) in subsection (t), as so redesignated—

(i) in paragraph (2), by striking “\$100,000,000,000” each place that term

1 appears and inserting “\$150,000,000,000”;
 2 and
 3 (ii) in paragraph (3), by striking “be-
 4 tween \$100,000,000,000 and
 5 \$250,000,000,000” and inserting “between
 6 \$150,000,000,000 and \$370,000,000,000”.

7 (2) *BANK HOLDING COMPANY ACT OF 1956*.—Sec-
 8 tion 4(k)(6)(B)(ii) of the Bank Holding Company Act
 9 of 1956 (12 U.S.C. 1843(k)(6)(B)(ii)) is amended by
 10 striking “\$10,000,000,000” and inserting
 11 “\$15,000,000,000”.

12 (3) *FINANCIAL STABILITY ACT OF 2010*.—The Fi-
 13 nancial Stability Act of 2010 (12 U.S.C. 5311 et seq.)
 14 is amended—

15 (A) in section 116(a) (12 U.S.C. 5326(a)),
 16 by striking “\$250,000,000,000” and inserting
 17 “\$370,000,000,000”;

18 (B) in section 121(a) (12 U.S.C. 5331(a)),
 19 by striking “\$250,000,000,000” and inserting
 20 “\$370,000,000,000”;

21 (C) in section 163(b) (12 U.S.C. 5363(b))—
 22 (i) by striking “\$250,000,000,000”
 23 each place that term appears and inserting
 24 “\$370,000,000,000”; and

1 (ii) by striking “\$10,000,000,000” and
2 inserting “\$15,000,000,000”;

3 (D) in section 164 (12 U.S.C. 5364), by
4 striking “\$250,000,000,000” and inserting
5 “\$370,000,000,000”; and

6 (E) in section 165 (12 U.S.C. 5365)—

7 (i) in subsection (a)—

8 (I) in paragraph (1), by striking
9 “\$250,000,000,000” and inserting
10 “\$370,000,000,000”; and

11 (II) in paragraph (2)(C), by
12 striking “\$100,000,000,000” and in-
13 serting “\$150,000,000,000”;

14 (ii) in subsection (h)(2), by striking
15 “\$50,000,000,000” each place that term ap-
16 pears and inserting “\$75,000,000,000”;

17 (iii) in subsection (i)(2)(A), by strik-
18 ing “\$250,000,000,000” and inserting
19 “\$370,000,000,000”; and

20 (iv) in subsection (j)(1), by striking
21 “\$250,000,000,000” and inserting
22 “\$370,000,000,000”.

23 (4) *ECONOMIC GROWTH, REGULATORY RELIEF,*
24 *AND CONSUMER PROTECTION ACT.*—Section 401(f) of
25 *the Economic Growth, Regulatory Relief, and Con-*

1 *sumer Protection Act (12 U.S.C. 5365 note) is*
 2 *amended by striking “\$250,000,000,000” and insert-*
 3 *ing “\$370,000,000,000”.*

4 *(b) PERIODIC ADJUSTMENTS TO THRESHOLDS TO AC-*
 5 *COUNT FOR FUTURE INCREASES IN CURRENT-DOLLAR*
 6 *UNITED STATES GROSS DOMESTIC PRODUCT.—*

7 *(1) IN GENERAL.—The Financial Stability Act*
 8 *of 2010 (12 U.S.C. 5311 et seq.) is further amended*
 9 *by adding at the end the following:*

10 **“SEC. 177. PERIODIC ADJUSTMENTS TO THRESHOLDS TO**
 11 **ACCOUNT FOR INCREASES IN CURRENT-DOL-**
 12 **LAR UNITED STATES GROSS DOMESTIC PROD-**
 13 **UCT.**

14 *“(a) IN GENERAL.—By April 1, 2031, and the 1st day*
 15 *of each subsequent 5-year period, the Board of Governors*
 16 *shall increase the thresholds described in subsection (b) by*
 17 *the ratio, if greater than 1, of the annual value of current-*
 18 *dollar United States gross domestic product, published by*
 19 *the Department of Commerce, for the calendar year pre-*
 20 *ceding the year in which the adjustment is calculated under*
 21 *this section, to the published annual value of such index*
 22 *for the calendar year preceding April 1, 2026.*

23 *“(b) COVERED THRESHOLDS.—The thresholds de-*
 24 *scribed in this subsection are the following:*

1 “(1) *Each bank holding company or savings and*
 2 *loan holding company total consolidated asset amount*
 3 *in the second subsection (s) (relating to assessments)*
 4 *of section 11 of the Federal Reserve Act.*

5 “(2) *Each bank holding company total consoli-*
 6 *dated asset amount in—*

7 “(A) *sections 116(a), 121(a), 163(b), 164,*
 8 *165(a)(1), 165(h)(2), and 165(j)(1) of this Act;*
 9 *and*

10 “(B) *section 401(f) of the Economic Growth,*
 11 *Regulatory Relief, and Consumer Protection Act.*

12 “(3) *Each financial company total consolidated*
 13 *asset amount in section 165(i)(2)(A) of this Act.*

14 “(c) *CURRENCY OF INFORMATION.—The values used in*
 15 *the calculation under subsection (a) shall be, as of the date*
 16 *of the calculation, the values most recently published by the*
 17 *Department of Commerce.*

18 “(d) *ROUNDING.—*

19 “(1) *If any amount equal to or greater than*
 20 *\$100,000,000,000 determined under subsection (a) for*
 21 *any period is not a multiple of \$50,000,000,000, the*
 22 *amount shall be rounded up to the nearest*
 23 *\$50,000,000,000.*

24 “(2) *If any amount less than \$100,000,000,000*
 25 *determined under subsection (a) for any period is not*

1 *a multiple of \$5,000,000,000, the amount shall be*
 2 *rounded up to the nearest \$5,000,000,000.*

3 “(e) *PUBLICATION.*—*Not later than April 5 of any cal-*
 4 *endar year in which an adjustment is required to be cal-*
 5 *culated under subsection (a), the Board of Governors shall*
 6 *publish in the Federal Register the amounts as so cal-*
 7 *culated.*

8 “(f) *IMPLEMENTATION PERIOD.*—*Any increase in*
 9 *amounts determined under subsection (a) shall take effect*
 10 *on January 1 of the year immediately succeeding the cal-*
 11 *endar year in which the increase is required to be calculated*
 12 *under subsection (a).*

13 **“SEC. 178. ADJUSTMENTS TO THRESHOLDS ESTABLISHED**
 14 **BY RULE TO ACCOUNT FOR INCREASES IN**
 15 **CURRENT-DOLLAR UNITED STATES GROSS**
 16 **DOMESTIC PRODUCT.**

17 “(a) *AGENCY REVIEW.*—*Not later than June 30, 2026,*
 18 *and the 1st day of each subsequent 5-year period, the Board*
 19 *of Governors, the Comptroller of the Currency, and the Cor-*
 20 *poration shall, to the extent applicable, review—*

21 “(1) *any regulation—*

22 “(A) *implementing section 165 of this Act;*

23 *or*

1 “(B) making specific cross-reference to any
2 regulation of the Board of Governors imple-
3 menting section 165 of this Act; and

4 “(2) any asset threshold or other quantitative
5 threshold in such regulations implementing section
6 165 of this Act, or in such regulations making specific
7 cross-reference to any regulation of the Board of Gov-
8 ernors implementing section 165 of this Act, the
9 amount of which is not prescribed by statute.

10 “(b) MODIFICATIONS REQUIRED.—The Board of Gov-
11 ernors, the Comptroller of the Currency, and the Corpora-
12 tion shall modify any such thresholds identified by each re-
13 view conducted under subsection (a) by the ratio, if greater
14 than 1, of the annual value of current-dollar United States
15 gross domestic product, published by the Department of
16 Commerce, for the calendar year preceding the year in
17 which the modification is calculated under this section, to
18 the published annual value of such index for the calendar
19 year preceding the effective date of such threshold, as each
20 respective agency shall determine as appropriate for such
21 regulations. In making such determination, the Board of
22 Governors, the Comptroller of the Currency, and the Cor-
23 poration shall—

24 “(1) use the values for current-dollar United
25 States gross domestic product most recently published

1 *by the Department of Commerce as of the date of com-*
 2 *mencement of the review;*

3 *“(2) seek to establish, to the extent feasible, uni-*
 4 *form thresholds for use by each such agency, taking*
 5 *into account the entities regulated by each such agen-*
 6 *cy and the purposes for which such threshold was es-*
 7 *tablished; and*

8 *“(3) seek to adjust such thresholds, to the extent*
 9 *feasible, with rounding consistent with section 177(d)*
 10 *of this Act.*

11 *“(c) REPORT.—Upon conclusion of each review re-*
 12 *quired under subsection (a), each of the Board of Governors,*
 13 *the Comptroller of the Currency, and the Corporation shall*
 14 *transmit a report to the Committee on Financial Services*
 15 *of the House of Representatives and the Committee on*
 16 *Banking, Housing, and Urban Affairs of the Senate con-*
 17 *taining a description of any modification of any regulation*
 18 *such agency made pursuant to subsection (b).”.*

19 *(2) CLERICAL AMENDMENT.—The table of con-*
 20 *tents in section 1(b) of the Dodd-Frank Wall Street*
 21 *Reform and Consumer Protection Act is amended by*
 22 *inserting after the item relating to section 176 the fol-*
 23 *lowing:*

“Sec. 177. Periodic adjustments to thresholds to account for increases in current-
 dollar United States gross domestic product.

“Sec. 178. Adjustments to thresholds established by rule to account for increases
 in current-dollar United States gross domestic product.”.

1 **SEC. 205. COMMUNITY BANK REGULATORY TAILORING.**

2 (a) *THRESHOLD ADJUSTMENTS TO ACCOUNT FOR HIS-*
 3 *TORICAL INCREASES IN CURRENT-DOLLAR UNITED STATES*
 4 *GROSS DOMESTIC PRODUCT.—*

5 (1) *BANK HOLDING COMPANY ACT OF 1956.—The*
 6 *Bank Holding Company Act of 1956 (12 U.S.C. 1841*
 7 *et seq.) is amended—*

8 (A) *in section 5(c)(3)(C)(ii) (12 U.S.C.*
 9 *1844(c)(3)(C)(ii)), by striking “\$1,000,000” and*
 10 *inserting “\$3,000,000”; and*

11 (B) *in section 13(h)(1)(B)(i) (12 U.S.C.*
 12 *1851(h)(1)(B)(i)), by striking “\$10,000,000,000”*
 13 *and inserting “\$15,000,000,000”.*

14 (2) *COMMUNITY REINVESTMENT ACT OF 1977.—*
 15 *Section 809(a) of the Community Reinvestment Act of*
 16 *1977 (12 U.S.C. 2908(a)) is amended by striking*
 17 *“\$250,000,000” and inserting “\$800,000,000”.*

18 (3) *DEPOSITORY INSTITUTION MANAGEMENT*
 19 *INTERLOCKS ACT.—The Depository Institution Man-*
 20 *agement Interlocks Act (12 U.S.C. 3201 et seq.) is*
 21 *amended—*

22 (A) *in section 202(4) (12 U.S.C. 3201(4)),*
 23 *by striking “\$100,000,000” and inserting*
 24 *“\$600,000,000”;*

1 (B) in section 203(1) (12 U.S.C. 3202(1)),
 2 by striking “\$50,000,000” and inserting
 3 “\$110,000,000”; and

4 (C) in section 204 (12 U.S.C. 3203)—

5 (i) by striking “\$2,500,000,000” and
 6 inserting “\$10,000,000,000”; and

7 (ii) by striking “\$1,500,000,000” and
 8 inserting “\$10,000,000,000”.

9 (4) DODD-FRANK WALL STREET REFORM AND
 10 CONSUMER PROTECTION ACT.—*The Dodd-Frank Wall*
 11 *Street Reform and Consumer Protection Act* (12
 12 U.S.C. 5301 et seq.) is amended—

13 (A) in section 210 (12 U.S.C. 5390)—

14 (i) in subsection (o), by striking
 15 “\$50,000,000,000” in each place it appears
 16 and inserting “\$105,000,000,000”; and

17 (ii) in subsection (r), by striking
 18 “\$1,000,000” and inserting “\$5,000,000”;
 19 and

20 (B) in section 956(f) (12 U.S.C. 5641(f)),
 21 by striking “\$1,000,000,000” and inserting
 22 “\$3,000,000,000”.

23 (5) FEDERAL CREDIT UNION ACT.—*The Federal*
 24 *Credit Union Act* (12 U.S.C. 1751 et seq.) is amend-
 25 ed—

1 (A) in section 202 (12 U.S.C. 1782)—
2 (i) in subsection (a)(6)(C)(iii)—
3 (I) in the heading, by striking
4 “*DE MINIMUS*” and inserting “*DE*
5 *MINIMIS*”; and
6 (II) by striking “\$10,000,000”
7 and inserting “\$34,000,000”;
8 (ii) in subsection (a)(6)(D)—
9 (I) by striking “\$500,000,000”
10 and inserting “\$2,000,000,000”; and
11 (II) by striking “\$10,000,000”
12 and inserting “\$34,000,000”;
13 (iii) in subsection (b)(1)(A), by strik-
14 ing “\$50,000,000” each place that term ap-
15 pears and inserting “\$170,000,000”; and
16 (iv) in subsection (c)(1)(A)(iii), by
17 striking “\$50,000,000” each place that term
18 appears and inserting “\$170,000,000”; and
19 (B) in section 216 (12 U.S.C. 1790d)—
20 (i) in subsection (f)(2), by striking
21 “\$10,000,000” and inserting “\$34,000,000”;
22 (ii) in subsection (i)(4)(B), by striking
23 “\$5,000,000” and inserting “\$17,000,000”;

1 (iii) in subsection (j)(2)(A), by striking
 2 “\$25,000,000” and inserting “\$51,000,000”;
 3 and

4 (iv) in subsection (o)(4), by striking
 5 “\$10,000,000” and inserting “\$34,000,000”.

6 (6) *FEDERAL DEPOSIT INSURANCE ACT.*—*The*
 7 *Federal Deposit Insurance Act (12 U.S.C. 1811 et*
 8 *seq.) is amended—*

9 (A) in section 7(a)(12) (12 U.S.C.
 10 1817(a)(12)), by striking “\$5,000,000,000” and
 11 inserting “\$8,000,000,000”;

12 (B) in section 11(p)(1)(A)(i) (12 U.S.C.
 13 1821(p)(1)(A)(i)), by striking “\$1,000,000” and
 14 inserting “\$5,000,000”;

15 (C) in section 36 (12 U.S.C. 1831m)—

16 (i) in subsection (i), by striking
 17 “\$5,000,000,000” each place that term ap-
 18 pears and inserting “\$21,000,000,000”; and

19 (ii) in subsection (j), by striking
 20 “\$150,000,000” each place that term ap-
 21 pears and inserting “\$800,000,000”; and

22 (D) in section 38 (12 U.S.C. 1831o)—

23 (i) in subsection (b), by striking
 24 “\$300,000,000” and inserting
 25 “\$2,000,000,000”; and

1 (ii) in subsection (k)—

2 (I) by striking “\$50,000,000” and

3 inserting “\$110,000,000”; and

4 (II) by striking “\$75,000,000”

5 and inserting “\$150,000,000”.

6 (7) *FEDERAL HOME LOAN BANK ACT*.—Section
7 2(10) of the Federal Home Loan Bank Act (12 U.S.C.
8 1422(10)) is amended by striking “\$1,000,000,000”
9 each place that term appears and inserting
10 “\$3,000,000,000”.

11 (8) *FEDERAL RESERVE ACT*.—The Federal Re-
12 serve Act (12 U.S.C. 221 et seq.) is amended—

13 (A) in section 7(a)(1) (12 U.S.C. 289) by
14 striking “\$10,000,000,000” each place that term
15 appears and inserting “\$17,000,000,000”; and

16 (B) in section 22(h)(5)(C) (12 U.S.C.
17 375b(h)(5)(C)) by striking “\$100,000,000” and
18 inserting “\$500,000,000”.

19 (9) *HOME MORTGAGE DISCLOSURE ACT OF*
20 1975.—The Home Mortgage Disclosure Act of 1975 (12
21 U.S.C. 2801 et seq.) is amended—

22 (A) in the second paragraph (3) of section
23 304(i) (12 U.S.C. 2803(i)(3); relating to “Ex-
24 emption from certain disclosure requirements”),

1 by striking “\$30,000,000” and inserting
2 “\$160,000,000”; and

3 (B) in section 309(a) (12 U.S.C. 2808(a)),
4 by striking “\$10,000,000” and inserting
5 “\$180,000,000”.

6 (10) *HOME OWNERS’ LOAN ACT*.—Section 5(u) of
7 the *Home Owners’ Loan Act* (12 U.S.C. 1464(u)) is
8 amended—

9 (A) in paragraph (2)(A)(i), by striking
10 “\$500,000” and inserting “\$3,000,000”; and

11 (B) in paragraph (2)(A)(ii), by striking
12 “\$30,000,000” and inserting “\$160,000,000”.

13 (11) *INTERNATIONAL LENDING SUPERVISION ACT*
14 OF 1983.—Section 909(a)(1) of the *International*
15 *Lending Supervision Act of 1983* (12 U.S.C.
16 3908(a)(1)) is amended by striking “\$20,000,000”
17 and inserting “\$160,000,000”.

18 (12) *REAL ESTATE SETTLEMENT PROCEDURES*
19 *ACT OF 1974*.—Section 3(1)(B)(iv) of the *Real Estate*
20 *Settlement Procedures Act of 1974* (12 U.S.C.
21 2602(1)(B)(iv)) is amended by striking “\$1,000,000”
22 and inserting “\$19,000,000”.

23 (13) *REVISED STATUTES OF THE UNITED*
24 *STATES*.—Section 5136A(a)(2)(D)(ii) of the *Revised*
25 *Statutes of the United States* (12 U.S.C.

1 *24a(a)(2)(D)(ii)) is amended by striking*
 2 *“\$50,000,000,000” and inserting “\$175,000,000,000”.*

3 *(14) TRUTH IN LENDING ACT.—Section*
 4 *129C(b)(2)(F)(i) of the Truth in Lending Act (15*
 5 *U.S.C. 1639c(b)(2)(F)(i)) is amended by striking*
 6 *“\$10,000,000,000” and inserting “\$15,000,000,000”.*

7 *(b) THRESHOLD ADJUSTMENTS TO ACCOUNT FOR HIS-*
 8 *TORICAL INCREASES IN CURRENT-DOLLAR UNITED STATES*
 9 *GROSS DOMESTIC PRODUCT.—*

10 *(1) IN GENERAL.—By April 1, 2031, and the 1st*
 11 *day of each subsequent 5-year period, the Board of*
 12 *Governors of the Federal Reserve System shall pre-*
 13 *scribe the amount by which each dollar amount de-*
 14 *scribed in subsection (a) shall be increased by the*
 15 *ratio, if greater than 1, of the annual value of cur-*
 16 *rent-dollar United States gross domestic product, pub-*
 17 *lished by the Department of Commerce, for the cal-*
 18 *endar year preceding the year in which the adjust-*
 19 *ment is calculated under this subsection, to the pub-*
 20 *lished annual value of current-dollar United States*
 21 *gross domestic product for the calendar year pre-*
 22 *ceding April 1, 2026.*

23 *(2) CURRENCY OF INFORMATION.—The values*
 24 *used in the calculation under paragraph (1) shall be,*

1 *as of the date of the calculation, the values most re-*
2 *cently published by the Department of Commerce.*

3 (3) *ROUNDING.—*

4 (A) *If any amount equal to or greater than*
5 *\$100,000,000,000 determined under paragraph*
6 *(1) for any period is not a multiple of*
7 *\$50,000,000,000, the amount shall be rounded up*
8 *to the nearest \$50,000,000,000.*

9 (B) *If any amount less than*
10 *\$100,000,000,000 but equal to or greater than*
11 *\$10,000,000,000 determined under paragraph (1)*
12 *for any period is not a multiple of*
13 *\$5,000,000,000, the amount shall be rounded up*
14 *to the nearest \$5,000,000,000.*

15 (C) *If any amount less than*
16 *\$10,000,000,000 but equal to or greater than*
17 *\$1,000,000,000 determined under paragraph (1)*
18 *for any period is not a multiple of \$500,000,000,*
19 *the amount shall be rounded up to the nearest*
20 *\$500,000,000.*

21 (D) *If any amount less than \$1,000,000,000*
22 *but equal to or greater than \$100,000,000 deter-*
23 *mined under paragraph (1) for any period is not*
24 *a multiple of \$50,000,000, the amount shall be*
25 *rounded up to the nearest \$50,000,000.*

1 (E) *If any amount less than \$100,000,000*
2 *but equal to or greater than \$10,000,000 deter-*
3 *mined under paragraph (1) for any period is not*
4 *a multiple of \$5,000,000, the amount shall be*
5 *rounded up to the nearest \$5,000,000.*

6 (F) *If any amount less than \$10,000,000*
7 *but equal to or greater than \$1,000,000 deter-*
8 *mined under paragraph (1) for any period is not*
9 *a multiple of \$500,000, the amount shall be*
10 *rounded up to the nearest \$500,000.*

11 (G) *If any amount less than \$1,000,000 but*
12 *equal to or greater than \$100,000 determined*
13 *under paragraph (1) for any period is not a*
14 *multiple of \$50,000, the amount shall be rounded*
15 *up to the nearest \$50,000.*

16 (H) *If any amount less than \$100,000 but*
17 *equal to or greater than \$10,000 determined*
18 *under paragraph (1) for any period is not a*
19 *multiple of \$5,000, the amount shall be rounded*
20 *up to the nearest \$5,000.*

21 (I) *If any amount less than \$10,000 but*
22 *equal to or greater than \$1,000 determined*
23 *under paragraph (1) for any period is not a*
24 *multiple of \$500, the amount shall be rounded*
25 *up to the nearest \$500.*

1 (J) *If any amount less than \$1,000 but*
2 *equal to or greater than \$100 determined under*
3 *paragraph (1) for any period is not a multiple*
4 *of \$50, the amount shall be rounded up to the*
5 *nearest \$50.*

6 (K) *If any amount less than \$100 but equal*
7 *to or greater than \$10 determined under para-*
8 *graph (1) for any period is not a multiple of \$5,*
9 *the amount shall be rounded up to the nearest*
10 *\$5.*

11 (L) *If any amount less than \$10 but equal*
12 *to or greater than \$1 determined under para-*
13 *graph (1) for any period is not a multiple of*
14 *\$0.50, the amount shall be rounded up to the*
15 *nearest \$0.50.*

16 (4) *PUBLICATION.*—*Not later than April 5 of*
17 *any calendar year in which an adjustment is re-*
18 *quired to be calculated under paragraph (1), the*
19 *Board of Governors of the Federal Reserve System*
20 *shall publish in the Federal Register the dollar*
21 *amounts as so calculated.*

22 (5) *IMPLEMENTATION PERIOD.*—*The increase in*
23 *the dollar amounts shall take effect on January 1 of*
24 *the year immediately succeeding any calendar year in*

1 *which an adjustment is required to be calculated*
 2 *under paragraph (1).*

3 **SEC. 206. CREDIT UNION BOARD MODERNIZATION.**

4 *Section 113 of the Federal Credit Union Act (12*
 5 *U.S.C. 1761b) is amended—*

6 (1) *by striking “monthly” each place such term*
 7 *appears;*

8 (2) *in the matter preceding paragraph (1), by*
 9 *striking “The board of directors” and inserting the*
 10 *following:*

11 “(a) *IN GENERAL.—The board of directors*”;

12 (3) *in subsection (a) (as so designated), by strik-*
 13 *ing “shall meet at least once a month and”; and*

14 (4) *by adding at the end the following:*

15 “(b) *MEETINGS.—The board of directors of a Federal*
 16 *credit union shall meet as follows:*

17 “(1) *With respect to a de novo Federal credit*
 18 *union, not less frequently than monthly during each*
 19 *of the first five years of the existence of such Federal*
 20 *credit union.*

21 “(2) *Not less than six times annually, with at*
 22 *least one meeting held during each fiscal quarter,*
 23 *with respect to a Federal credit union—*

24 “(A) *with composite rating of either 1 or 2*
 25 *under the Uniform Financial Institutions Rat-*

1 *ing System (or an equivalent rating under a*
 2 *comparable rating system); and*

3 *“(B) with a capability of management rat-*
 4 *ing under such composite rating of either 1 or 2.*

5 *“(3) Not less frequently than once a month, with*
 6 *respect to a Federal credit union—*

7 *“(A) with composite rating of either 3, 4, or*
 8 *5 under the Uniform Financial Institutions Rat-*
 9 *ing System (or an equivalent rating under a*
 10 *comparable rating system); or*

11 *“(B) with a capability of management rat-*
 12 *ing under such composite rating of either 3, 4,*
 13 *or 5.”.*

14 ***TITLE III—FAIR AND TRANS-***
 15 ***PARENT BANK SUPERVISION***

16 ***SEC. 301. HALTING UNCERTAIN METHODS AND PRACTICES***
 17 ***IN SUPERVISION.***

18 *(a) FINDINGS.—Congress finds that—*

19 *(1) CAMELS ratings (Capital adequacy, Asset*
 20 *quality, Management, Earnings, Liquidity, and Sen-*
 21 *sitivity to market risk) are a critical tool for evalu-*
 22 *ating the safety and soundness of financial institu-*
 23 *tions, and the basis for determining significant regu-*
 24 *latory matters such as the evaluation for mergers and*

1 *acquisitions and a bank's deposit insurance pre-*
 2 *miums;*

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

6 *(3) establishing articulable, clear, and reviewable*
 7 *measures for each CAMELS component and their rel-*
 8 *ative weighting in determining composite ratings will*
 9 *promote fairness, consistency, and accountability in*
 10 *supervisory assessments; and*

11 *(4) examination and supervision, as well as the*
 12 *CAMELS rating system, should focus on a financial*
 13 *institution's material financial condition or solvency.*

14 *(b) AMENDMENTS TO THE CAMELS RATING SYS-*
 15 *TEM.—*

16 *(1) IN GENERAL.—The Federal Financial Insti-*
 17 *tutions Examination Council Act of 1978 (12 U.S.C.*
 18 *3301 et seq.) is amended by adding at the end the fol-*
 19 *lowing:*

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

21 *“(a) IN GENERAL.—The Council shall make rec-*
 22 *ommendations to amend the Uniform Financial Institu-*
 23 *tions Rating System, and the CAMELS components there-*
 24 *under, to—*

1 “(1) establish articulable, clear, and reviewable
2 criteria for assessing each CAMELS component;

3 “(2) revise the factors affecting each CAMELS
4 component to derive a composite rating that more ac-
5 curately reflects the material financial condition and
6 risk profile of the financial institutions being rated;

7 “(3) either—

8 “(A) eliminate the management component
9 of the CAMELS rating system; or

10 “(B) revise the management component of
11 the CAMELS rating system to limit the assess-
12 ment under such component to articulable, clear,
13 and reviewable measures of the governance and
14 controls used to manage an institution’s risk
15 profile;

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

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

20 “(B) chapter 2 of title I of Public Law 91–
21 508 (12 U.S.C. 1951 et seq.);

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

24 “(D) any other applicable requirements and
25 implementing regulations relating to the preven-

1 *tion of money laundering and terrorist financ-*
2 *ing; and*

3 “(5) *ensure that composite ratings are deter-*
4 *mined based on a transparent methodology that is*
5 *limited to the objective criteria established for each*
6 *CAMELS component.*

7 “(b) *RULEMAKING.—Not later than 12 months after*
8 *the Council makes the recommendations required under sub-*
9 *section (a), the Federal financial institutions regulatory*
10 *agencies shall, jointly, issue rules to carry out the rec-*
11 *ommendations described under subsection (a).*

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

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

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

19 “(d) *RULE OF CONSTRUCTION.—Nothing in this sec-*
20 *tion may be construed to limit the authority of the Federal*
21 *financial institutions regulatory agencies to take super-*
22 *visory, adjudicatory, or enforcement actions to ensure the*
23 *safety and soundness of financial institutions.”.*

1 (2) *WELL MANAGED DEFINITION.*—Section
 2 2(o)(9)(A) of the Bank Holding Company Act of 1956
 3 (12 U.S.C. 1841(o)(9)(A)) is amended—

4 (A) by striking “achievement of” and all
 5 that follows through “a CAMEL” and inserting
 6 “achievement of a CAMEL”;

7 (B) by striking “; and” and inserting “;
 8 or”; and

9 (C) by striking clause (ii).

10 **SEC. 302. FAIR AUDITS AND INSPECTIONS FOR REGU-**
 11 **LATORS’ EXAMS.**

12 (a) *TIMELINESS OF EXAMINATIONS AND EXAMINATION*
 13 *REPORTS.*—The Federal Financial Institutions Examina-
 14 tion Council Act of 1978 (12 U.S.C. 3301 et seq.), as
 15 amended by section 301(b)(1), is further amended by add-
 16 ing at the end the following:

17 **“SEC. 1013. TIMELINESS OF EXAMINATIONS AND EXAMINA-**
 18 **TION REPORTS.**

19 “(a) *TIMELINESS OF EXAMINATIONS.*—A Federal fi-
 20 nancial institutions regulatory agency shall complete any
 21 examination of a financial institution, other than a finan-
 22 cial institution subject to a continuous or resident examina-
 23 tion program, within 270 days of commencing the examina-
 24 tion, except that such period may be extended by the Federal
 25 financial institutions regulatory agency by providing writ-

1 *ten notice to the financial institution describing with par-*
 2 *ticularity the reasons that a longer period is needed.*

3 “(b) *FINAL EXAMINATION REPORT.*—A Federal finan-
 4 *cial institutions regulatory agency shall provide a final ex-*
 5 *amination report to a financial institution, other than a*
 6 *financial institution subject to a continuous or resident ex-*
 7 *amination program, not later than 90 days after the later*
 8 *of—*

9 “(1) *the exit interview for an examination of the*
 10 *institution; or*

11 “(2) *the provision of additional material infor-*
 12 *mation by the institution relating to the examination.*

13 “(c) *EXIT INTERVIEW REQUIREMENT.*—Within 30
 14 *days of completing an examination for a financial institu-*
 15 *tion not subject to a continuous or resident examination*
 16 *program, a Federal financial institutions regulatory agency*
 17 *shall conduct an exit interview with the financial institu-*
 18 *tion’s senior management or the board of directors, except*
 19 *that such period may be extended by the Federal financial*
 20 *institutions regulatory agency by providing written notice*
 21 *to the institution describing with particularity the reasons*
 22 *that a longer period is needed to complete the exit interview.*

23 “(d) *EXAMINATION MATERIALS.*—Upon the written re-
 24 *quest of a financial institution, the Federal financial insti-*
 25 *tutions regulatory agency shall include with the final report*

1 *an appendix listing all examination or other factual infor-*
 2 *mation relied upon by the agency in support of a material*
 3 *supervisory determination.”.*

4 *(b) TIMELINESS OF REQUIRED PRUDENTIAL PRIVATE*
 5 *LETTER RULINGS.—The Federal Financial Institutions*
 6 *Examination Council Act of 1978 (12 U.S.C. 3301 et seq.),*
 7 *as amended by subsection (a), is further amended by adding*
 8 *at the end the following:*

9 **“SEC. 1014. TIMELINESS OF REQUIRED PRUDENTIAL PRI-**
 10 **VATE LETTER RULINGS.**

11 *“(a) AUTHORITY AND REGULATION.—*

12 *“(1) IN GENERAL.—Each Federal financial in-*
 13 *stitutions regulatory agency shall establish procedures*
 14 *providing that a covered financial institution may,*
 15 *upon application by the covered financial institution*
 16 *and with respect to a covered action, obtain written*
 17 *advice regarding—*

18 *“(A) the agency’s non-objection to the finan-*
 19 *cial institution conducting a particular activity;*

20 *“(B) the agency’s interpretation of a law or*
 21 *regulation as applied to a particular matter;*

22 *“(C) the agency’s interpretation of how gen-*
 23 *erally accepted accounting principles or account-*
 24 *ing objectives, standards, and requirements*
 25 *apply to a particular matter; or*

1 “(D) the agency’s application of any super-
 2 visory guidance, statement of policy, or interpre-
 3 tive rule to a particular matter.

4 “(2) COVERED ACTION DEFINED.—In this sub-
 5 section and with respect to a covered financial insti-
 6 tution, the term ‘covered action’ means—

7 “(A) any action in connection with a regu-
 8 lated activity that the covered financial institu-
 9 tion is taking or is intending to take, includ-
 10 ing—

11 “(i) entering into a transaction;

12 “(ii) issuing a product or service; or

13 “(iii) changing the corporate structure
 14 of the covered financial institution; and

15 “(B) a Federal financial institutions regu-
 16 latory agency’s objection to the covered financial
 17 institution commencing or otherwise conducting
 18 an activity (including an action described in
 19 subparagraph (A)).

20 “(b) CONTENTS OF REQUEST.—The procedures estab-
 21 lished under subsection (a) shall provide that a request for
 22 written advice made under the procedures shall be in writ-
 23 ing and contain—

24 “(1) the nature of the request;

25 “(2) applicable facts relating to the matter;

1 “(3) applicable law, regulation, or generally ac-
2 cepted accounting principles relating to the matter;
3 and

4 “(4) a summary of the request.

5 “(c) *RESPONSE TO REQUEST*.—A Federal financial
6 institutions regulatory agency receiving a request for writ-
7 ten advice under subsection (a) shall, not later than 30 days
8 after receiving the request—

9 “(1) provide the financial institution making the
10 request with written notification that the agency re-
11 ceived the request and stating whether the request con-
12 tains all of the information required under subsection
13 (b); and

14 “(2) if the request does not contain all of the in-
15 formation required under subsection (b)—

16 “(A) provide the financial institution with
17 an explanation of what information is missing;
18 and

19 “(B) notify the financial institution that
20 the financial institution may provide the miss-
21 ing information to the agency within 30 days.

22 “(d) *PROVIDING MISSING INFORMATION*.—If a Federal
23 financial institutions regulatory agency informs the finan-
24 cial institution under subsection (c) that the request for
25 written advice does not contain all the information required

1 *under subsection (b), the financial institution may provide*
2 *the missing information to the Federal financial institu-*
3 *tions regulatory agency during the 30-day period beginning*
4 *on the date the financial institution receives the expla-*
5 *nation of the missing information under subsection (c).*

6 “(e) *DETERMINATION.—A Federal financial institu-*
7 *tions regulatory agency receiving a request for written ad-*
8 *vice under the procedures established under subsection (a)*
9 *shall provide the financial institution with a written re-*
10 *sponse (or, for purposes of paragraph (3), notify the finan-*
11 *cial institution that a determination cannot be made)—*

12 “(1) *if the initial request contains the informa-*
13 *tion required under subsection (b), not later than the*
14 *end of the 60-day period beginning on the date the*
15 *Federal financial institutions regulatory agency noti-*
16 *fies the financial institution of the receipt of the re-*
17 *quest under subsection (c);*

18 “(2) *if the initial request does not contain the*
19 *information required under subsection (b), but the fi-*
20 *nancial institution provides the missing information*
21 *during the 30-day period described under subsection*
22 *(d), not later than the end of the 60-day period begin-*
23 *ning on the date such missing information is pro-*
24 *vided; or*

1 “(3) if the initial request does not contain the
 2 information required under subsection (b), and the fi-
 3 nancial institution does not provide the missing in-
 4 formation during the 30-day period described under
 5 subsection (d), not later than the end of the 60-day
 6 period beginning on the end of such 30-day period.

7 “(f) *LIMITED BINDING EFFECT.*—Written advice
 8 issued by a Federal financial institutions regulatory agency
 9 under the procedures established under this section—

10 “(1) shall be binding on the agency with respect
 11 to the financial institution requesting the written ad-
 12 vice and the specific facts described in the request;

13 “(2) may be relied upon by the financial institu-
 14 tion requesting the written advice in good faith; and

15 “(3) shall not be binding on the agency with re-
 16 spect to any other person or institution and shall not
 17 be treated as precedent.

18 “(g) *CONFIDENTIALITY AND PRIVILEGE.*—

19 “(1) *TREATMENT OF WRITTEN ADVICE.*—Written
 20 advice issued under this section, and any materials
 21 submitted in connection therewith, and the fact that
 22 a request for written advice was made shall be treated
 23 as confidential supervisory information and exempt
 24 from disclosure under section 552(b) of title 5, United
 25 States Code.

1 “(2) *PUBLISHING OF ANONYMIZED OR REDACTED*
2 *SUMMARIES.*—*A Federal financial institutions regu-*
3 *latory agency may publish anonymized or redacted*
4 *summaries of rulings for informational purposes.*

5 “(h) *MODIFICATION OR REVOCATION.*—*A Federal fi-*
6 *nancial institutions regulatory agency may modify or re-*
7 *voke written advice issued under this section only if—*

8 “(1) *the requesting financial institution made a*
9 *material misstatement or omission of fact;*

10 “(2) *there has been a change in controlling law;*
11 *or*

12 “(3) *the ruling is inconsistent with a final rule*
13 *or judicial decision issued after the date the written*
14 *advice was issued.*

15 “(i) *REASONABLE FEES.*—*Each Federal financial in-*
16 *stitutions regulatory agency may establish and collect a*
17 *reasonable fee for the processing and issuance of any written*
18 *advice issued under this section, and such fee—*

19 “(1) *shall be based on the estimated cost to the*
20 *agency of reviewing, analyzing, and responding to the*
21 *request;*

22 “(2) *may vary based on the complexity of the re-*
23 *quest or the size of the requesting institution; and*

24 “(3) *shall be prescribed by regulation.*

1 “(j) *FINALITY*.—Written advice issued under the proce-
 2 dures established under this section shall not be construed
 3 as a final agency action.”.

4 (c) *OFFICE OF INDEPENDENT EXAMINATION RE-*
 5 *VIEW*.—

6 (1) *IN GENERAL*.—*The Federal Financial Insti-*
 7 *tutions Examination Council Act of 1978 (12 U.S.C.*
 8 *3301 et seq.), as amended by subsection (b), is further*
 9 *amended by adding at the end the following:*

10 **“SEC. 1015. OFFICE OF INDEPENDENT EXAMINATION RE-**
 11 **VIEW.**

12 “(a) *ESTABLISHMENT*.—*There is established in the*
 13 *Council an Office of Independent Examination Review (the*
 14 *‘Office’).*

15 “(b) *BOARD OF INDEPENDENT EXAMINATION RE-*
 16 *VIEW*.—

17 “(1) *IN GENERAL*.—*The head of the Office shall*
 18 *be the Board of Independent Examination Review,*
 19 *which shall be comprised of 3 members, appointed by*
 20 *the President, by and with the advice and consent of*
 21 *the Senate.*

22 “(2) *QUALIFICATIONS*.—*The President shall ap-*
 23 *point 1 member of the Board from each of the fol-*
 24 *lowing classes of individuals:*

1 “(A) *Individuals who have been employed*
2 *by a Federal financial institutions regulatory*
3 *agency.*

4 “(B) *Individuals who are not, and were not*
5 *during the previous 5-year period, employed by*
6 *a Federal financial institutions regulatory agen-*
7 *cy or a Federal reserve bank and who—*

8 “(i) *are a licensed attorney or a cer-*
9 *tified public accountant authorized to prac-*
10 *tice under the laws of a State, the District*
11 *of Columbia, or a territory of the United*
12 *States;*

13 “(ii) *have academic or private sector*
14 *experience relating to financial services; or*

15 “(iii) *have relevant work-related expe-*
16 *rience in consumer affairs or compliance*
17 *with consumer protection laws with respect*
18 *to financial institutions.*

19 “(C) *Individuals with at least 10 years pri-*
20 *vate sector financial services senior management-*
21 *level experience.*

22 “(3) *PROHIBITION ON CERTAIN INDIVIDUALS*
23 *SERVING AS A BOARD MEMBER.—The President may*
24 *not appoint an individual as a member of the Board*
25 *if the individual—*

1 “(A) is, or was during the previous 2-year
2 period, employed by a Federal financial institu-
3 tions regulatory agency or a Federal reserve
4 bank; or

5 “(B) is, or was during the previous 2-year
6 period, employed by a financial institution.

7 “(4) CONSULTATION.—In appointing members of
8 the Board, the President shall consult with the Fed-
9 eral financial institutions regulatory agencies and fi-
10 nancial institutions.

11 “(5) TERM.—

12 “(A) IN GENERAL.—Each member of the
13 Board shall serve for a term of 3 years. Upon the
14 expiration of a member’s terms of office, the
15 member shall continue to serve until the mem-
16 ber’s successor has been confirmed by the Senate.

17 “(B) TERM LIMITATION.—No individual
18 may serve more than 2 full terms on the Board.

19 “(6) POLITICAL AFFILIATION.—Not more than 2
20 members of the Board shall be members of the same
21 political party.

22 “(7) QUORUM.—

23 “(A) IN GENERAL.—3 members of the Board
24 shall constitute a quorum.

1 “(B) *INITIAL QUORUM.*—During the 6-
2 month period beginning on the date of enactment
3 of this section, 1 member of the Board shall con-
4 stitute a quorum until the Board has 3 members.

5 “(8) *RATE OF PAY.*—The annual rate of basic
6 pay for the members of the Board shall be the rate of
7 basic pay for Level IV of the Executive Schedule
8 under section 5315 of title 5, United States Code.

9 “(c) *STAFFING.*—The Board is authorized to hire staff
10 to support the activities of the Office of Independent Exam-
11 ination Review, and set the salaries of such staff. One-fifth
12 of the costs and expenses of the Office, including the salaries
13 of its employees, shall be paid by each of the Federal finan-
14 cial institutions regulatory agencies. Annual assessments
15 for such share shall be levied by the Council based upon
16 its projected budget for the year, and additional assessments
17 may be made during the year if necessary.

18 “(d) *DUTIES.*—The Board shall—

19 “(1) receive and, at the discretion of the Board,
20 investigate complaints from financial institutions,
21 their representatives, or another entity acting on be-
22 half of such institutions, concerning completed exami-
23 nations, examination practices, or examination re-
24 ports;

1 “(2) hold meetings, at least once every three
2 months and in locations designed to encourage par-
3 ticipation from all sections of the United States, with
4 financial institutions, their representatives, or an-
5 other entity acting on behalf of such institutions, to
6 discuss examination procedures, examination prac-
7 tices, or examination policies;

8 “(3) review examination procedures of the Fed-
9 eral financial institutions regulatory agencies to en-
10 sure that the written examination policies of those
11 agencies are being followed in practice and adhere to
12 the standards for consistency;

13 “(4) conduct a continuing and regular program
14 of examination quality assurance for all examination
15 types conducted by the Federal financial institutions
16 regulatory agencies;

17 “(5) carry out an independent review of any su-
18 pervisory appeal initiated under section 1016; and

19 “(6) report annually to the Committee on Finan-
20 cial Services of the House of Representatives, the
21 Committee on Banking, Housing, and Urban Affairs
22 of the Senate, and the Council, on the reviews carried
23 out pursuant to paragraphs (3) and (5), including
24 compliance with the requirements set forth in section
25 1014 regarding timeliness of examination reports,

1 *and the Board’s recommendations for improvements*
 2 *in examination procedures, practices, and policies.*

3 “(e) *CONFIDENTIALITY.*—

4 “(1) *IN GENERAL.*—*The Board and the Council*
 5 *shall keep confidential—*

6 “(A) *all meetings, discussions, and informa-*
 7 *tion provided by financial institutions and Fed-*
 8 *eral financial institutions regulatory agencies*
 9 *that involve confidential supervisory information*
 10 *or privileged information;*

11 “(B) *all information and communications*
 12 *exchanged between a financial institution and*
 13 *the Office of Independent Examination Review;*
 14 *and*

15 “(C) *all information and communications*
 16 *exchanged between a Federal financial institu-*
 17 *tions regulatory agency and the Office of Inde-*
 18 *pendent Examination Review.*

19 “(2) *SUBMISSION OF INFORMATION DOES NOT*
 20 *CONSTITUTE A WAIVER.*—*Section 18(x) of the Federal*
 21 *Deposit Insurance Act (12 U.S.C. 1828(x)) shall*
 22 *apply to the submission of information to the Board*
 23 *by a financial institution or a Federal financial in-*
 24 *stitutions regulatory agency to the same extent as*

1 *such section 18(x) applies to the submission of infor-*
 2 *mation described in that section 18(x).*

3 *“(3) SHARING OF INFORMATION WITHOUT*
 4 *WAIVING PRIVILEGE.—The Board shall be considered*
 5 *a ‘covered agency’ for purposes of section 11(t) of the*
 6 *Federal Deposit Insurance Act (12 U.S.C. 1821(t)).”.*

7 *(2) DEFINITIONS.—Section 1003 of the Federal*
 8 *Financial Institutions Examination Council Act of*
 9 *1978 (12 U.S.C. 3302) is amended—*

10 *(A) in paragraph (2), by striking “and” at*
 11 *the end; and*

12 *(B) by adding at the end the following:*

13 *“(4) the term ‘Board’ means the Board of Inde-*
 14 *pendent Examination Review established under sec-*
 15 *tion 1015(b);*

16 *“(5) the term ‘material supervisory determina-*
 17 *tion’ has the meaning given such term in section*
 18 *309(c) of the Riegle Community Development and*
 19 *Regulatory Improvement Act of 1994;*

20 *“(6) the term ‘insured depository institution’ has*
 21 *the meaning given that term in section 3 of the Fed-*
 22 *eral Deposit Insurance Act; and*

23 *“(7) the term ‘insured credit union’ has the*
 24 *meaning given that term in section 101 of the Federal*
 25 *Credit Union Act.”.*

1 (d) *RIGHT TO INDEPENDENT REVIEW OF MATERIAL*
 2 *SUPERVISORY DETERMINATIONS.*—*The Federal Financial*
 3 *Institutions Examination Council Act of 1978 (12 U.S.C.*
 4 *3301 et seq.), as amended by subsection (c), is further*
 5 *amended by adding at the end the following:*

6 **“SEC. 1016. RIGHT TO INDEPENDENT REVIEW OF MATERIAL**
 7 **SUPERVISORY DETERMINATIONS.**

8 “(a) *IN GENERAL.*—*A financial institution shall have*
 9 *the right to obtain an independent review, as described in*
 10 *this section, of a material supervisory determination con-*
 11 *tained in a final report of examination.*

12 “(b) *NOTICE.*—

13 “(1) *TIMING.*—*A financial institution seeking re-*
 14 *view of a material supervisory determination under*
 15 *this section shall file a written notice with the Board*
 16 *within 30 days after receiving the final report of ex-*
 17 *amination that is the subject of such review.*

18 “(2) *EXTENSION.*—*The institution may file a*
 19 *written request with the Board for an extension of the*
 20 *60-day time period described under paragraph (1),*
 21 *which shall state good cause for granting the exten-*
 22 *sion. Such request shall be granted in the sole discre-*
 23 *tion of the Board.*

24 “(3) *IDENTIFICATION OF DETERMINATION.*—*The*
 25 *written notice shall—*

1 “(A) identify the material supervisory de-
2 termination that is the subject of the requested
3 independent examination review;

4 “(B) state the reasons why the institution
5 believes that the material supervisory determina-
6 tion is incorrect or should otherwise be modified;
7 and

8 “(C) include—

9 “(i) a clear and complete statement of
10 all relevant facts and issues;

11 “(ii) all arguments that the institution
12 wishes to present; and

13 “(iii) all relevant and material docu-
14 ments in the possession of the institution
15 that the institution wishes to be considered.

16 “(4) INFORMATION MADE AVAILABLE TO INSTITU-
17 TION.—An institution seeking a review of a material
18 supervisory determination may, not later than 7 days
19 after receiving the final examination report, request
20 that the Federal financial institutions regulatory
21 agency that made the material supervisory deter-
22 mination provide the institution with all examina-
23 tion and factual information relied upon by the agen-
24 cy in making the material supervisory determination.
25 The agency shall provide that information to the in-

1 *stitution not later than 14 days after receiving the re-*
 2 *quest.*

3 “(5) *SUBMISSION OF RECORD.*—*After receiving a*
 4 *written notice of review from a financial institution*
 5 *under this subsection, the Board shall direct the Fed-*
 6 *eral financial institutions regulatory agency that*
 7 *made the material supervisory determination under*
 8 *review to file with the Board the supervisory record*
 9 *of the examination resulting in the material super-*
 10 *visory determination under review.*

11 “(c) *DETERMINATION; RIGHT TO HEARING.*—

12 “(1) *IN GENERAL.*—*The Board shall—*

13 “(A) *determine the merits on the record, in-*
 14 *cluding whether the material supervisory deter-*
 15 *mination being reviewed should be upheld, can-*
 16 *celed, or modified; or*

17 “(B) *at the election of the financial institu-*
 18 *tion, conduct a hearing, which shall take place*
 19 *not later than 60 days after the petition for re-*
 20 *view is received by the Board.*

21 “(2) *RIGHT TO OBTAIN TESTIMONY.*—*A financial*
 22 *institution electing for a hearing under paragraph*
 23 *(1)(B) shall have the right the obtain testimony under*
 24 *oath from agency employees and obtain documents*
 25 *and other evidence at the hearing, or in advance of*

1 *the hearing, according to procedures instituted by the*
2 *Board consistent with those set forth under sections*
3 *556 and 557 of title 5, United States Code.*

4 “(3) *BASIS OF DECISION.*—*The Board shall issue*
5 *a written decision based upon the record of the exam-*
6 *ination, supplemented by the record established at*
7 *any hearing.*

8 “(4) *STANDARD OF REVIEW.*—*The Board’s re-*
9 *view of a material supervisory determination being*
10 *reviewed under this subsection shall be de novo, and*
11 *the Board shall not defer to the opinions of exam-*
12 *iners, but shall independently determine the appro-*
13 *priateness of the material supervisory determination*
14 *based upon the relevant statutes, regulations, other*
15 *appropriate guidance, and the evidentiary record.*

16 “(5) *POLICY MATTERS.*—*The Board shall con-*
17 *duct reviews under this section applying the policies,*
18 *regulations, and interpretations of the Federal finan-*
19 *cial institutions regulatory agency that made the ma-*
20 *terial supervisory determination under review in ef-*
21 *fect at the time the material supervisory determina-*
22 *tion was made.*

23 “(d) *FINAL DECISION.*—*A decision by the Board on*
24 *an independent review under this section shall—*

1 “(1) be made not later than 60 days after the
2 record has been closed; and

3 “(2) be deemed final and shall bind the agency
4 whose supervisory determination was the subject of
5 the review and the financial institution requesting the
6 review.

7 “(e) *REFERRAL OF VIOLATIONS.*—If the Board, in car-
8 rying out this section, determines that a financial institu-
9 tion has violated a law or regulation, the Board shall refer
10 such determination to the applicable Federal financial in-
11 stitutions regulatory agency.

12 “(f) *ANNUAL REPORT.*—

13 “(1) *IN GENERAL.*—The Board shall report an-
14 nually to the Committee on Financial Services of the
15 House of Representatives, the Committee on Banking,
16 Housing, and Urban Affairs of the Senate, and the
17 Council on actions taken under this section, including
18 the types of issues that the Board has reviewed and
19 the results of those reviews, including information on
20 each final determination with respect to a material
21 supervisory determination.

22 “(2) *CONFIDENTIALITY.*—In reporting under
23 paragraph (1), the Board shall redact information
24 about individual financial institutions and any con-
25 fidential supervisory information or privileged infor-

1 *mation shared by financial institutions, and shall*
 2 *anonymize any un-redacted information that could,*
 3 *in the aggregate, identify a financial institution.*

4 *“(g) RETALIATION PROHIBITED.—*

5 *“(1) IN GENERAL.—A Federal financial institu-*
 6 *tions regulatory agency may not—*

7 *“(A) retaliate against a financial institu-*
 8 *tion, including service providers, or any institu-*
 9 *tion-affiliated party, for exercising appellate*
 10 *rights under this section; or*

11 *“(B) delay or deny any agency action that*
 12 *would benefit a financial institution or any in-*
 13 *stitution-affiliated party on the basis that an ap-*
 14 *peal under this section is pending under this sec-*
 15 *tion.*

16 *“(2) RETALIATION.—For purposes of this sub-*
 17 *section, retaliation includes delaying consideration of,*
 18 *or withholding approval of, any request, notice, or*
 19 *application that otherwise would have been approved,*
 20 *but for the exercise of a financial institution’s rights*
 21 *under this section.*

22 *“(h) RULEMAKING.—The Board shall issue rules to es-*
 23 *tablish procedures for hearings described under this section,*
 24 *including that—*

1 “(1) a financial institution may appear at the
2 hearing personally or through counsel;

3 “(2) a financial institution may provide an oral
4 and written presentation at the hearing;

5 “(3) the Board may ask questions of any person
6 participating in the hearing;

7 “(4) the hearing shall not be governed by the
8 Federal Rules of Evidence; and

9 “(5) the Board shall have a verbatim transcript
10 of the hearing prepared.

11 “(i) SAFETY AND SOUNDNESS EXCEPTION.—The ap-
12 peal of a material supervisory determination by a financial
13 institution under this section shall not affect the authority
14 of a Federal financial institutions regulatory agency during
15 the pendency of such appeal to enforce the material super-
16 visory determination or to take an action based on such
17 material supervisory determination, if the Federal finan-
18 cial institutions regulatory agency determines that such en-
19 forcement or action is necessary to ensure the immediate
20 safety and soundness of the financial institution.”.

21 (e) ADDITIONAL AMENDMENTS.—

22 (1) REGULATORY APPEALS PROCESS, OMBUDS-
23 MAN, AND ALTERNATIVE DISPUTE RESOLUTION.—

24 (A) IN GENERAL.—Section 309 of the Riegle
25 Community Development and Regulatory Im-

1 *provement Act of 1994 (12 U.S.C. 4806) is*
 2 *amended—*

3 *(i) in the heading, by striking “**REGU-***
 4 ***LATORY APPEALS PROCESS, OMBUDS-***
 5 ***MAN,” and inserting “**OMBUDSMAN**”***
 6 *(and by conforming the item relating to*
 7 *such section in the table of contents accord-*
 8 *ingly);*

9 *(ii) by striking subsections (a), (b),*
 10 *and (c);*

11 *(iii) by redesignating subsections (d),*
 12 *(e), (f), and (g) as subsections (a), (b), (c),*
 13 *and (d), respectively;*

14 *(iv) in subsection (b), as so redesign-*
 15 *ated—*

16 *(I) in paragraph (2)—*

17 *(aa) in subparagraph (B), by*
 18 *striking “and” at the end;*

19 *(bb) in subparagraph (C), by*
 20 *striking the period and inserting*
 21 *“; and”; and*

22 *(cc) by adding at the end the*
 23 *following:*

24 *“(D) ensure that appropriate safeguards*
 25 *exist for protecting any party from retaliation*

1 *by any agency for exercising rights under this*
2 *subsection.”; and*

3 *(II) by adding at the end the fol-*
4 *lowing:*

5 “(6) *RETALIATION.*—*For purposes of this sub-*
6 *section, retaliation includes delaying consideration of,*
7 *or withholding approval of, any request, notice, or*
8 *application that otherwise would have been approved,*
9 *but for the exercise of a financial institution’s rights*
10 *under this section.”; and*

11 *(v) in paragraph (1)(A) of subsection*
12 *(c), as so redesignated—*

13 *(I) in clause (ii), by striking “;*
14 *and” and inserting a semicolon;*

15 *(II) in clause (iii), by striking “;*
16 *and” and inserting a semicolon; and*

17 *(III) by adding at the end the fol-*
18 *lowing:*

19 *“(iv) any issue specifically listed in an*
20 *exam report as a matter requiring attention*
21 *by the institution’s management or board of*
22 *directors; and*

23 *“(v) any suspension or removal of an*
24 *institution’s status as eligible for expedited*
25 *processing of applications, requests, notices,*

1 or filings on the grounds of a supervisory or
 2 compliance concern, regardless of whether
 3 that concern has been cited as a basis for a
 4 material supervisory determination or mat-
 5 ter requiring attention in an examination
 6 report, provided that the conduct at issue
 7 did not involve violation of any criminal
 8 law; and”.

9 (B) *EFFECT.*—Nothing in this subsection
 10 affects the authority of a Federal banking agency
 11 (as defined in section 3 of the Federal Deposit
 12 Insurance Act (12 U.S.C. 1813)) or the National
 13 Credit Union Administration Board to take en-
 14 forcement or other supervisory action.

15 (2) *FEDERAL CREDIT UNION ACT.*—Section
 16 205(j) of the Federal Credit Union Act (12 U.S.C.
 17 1785(j)) is amended by inserting “the Bureau of Con-
 18 sumer Financial Protection,” before “the Administra-
 19 tion” each place that term appears.

20 (3) *FEDERAL FINANCIAL INSTITUTIONS EXAMINA-*
 21 *TION COUNCIL ACT.*—The Federal Financial Institu-
 22 tions Examination Council Act of 1978 (12 U.S.C.
 23 3301 *et seq.*) is amended—

24 (A) in section 1003 (12 U.S.C. 3302)—

1 (i) by striking paragraph (1) and in-
 2 serting the following:

3 “(1) the term ‘Federal financial institutions reg-
 4 ulatory agencies’—

5 “(A) means the Office of the Comptroller of
 6 the Currency, the Board of Governors of the Fed-
 7 eral Reserve System, the Federal Deposit Insur-
 8 ance Corporation, and the National Credit
 9 Union Administration; and

10 “(B) includes the Bureau of Consumer Fi-
 11 nancial Protection for purposes of sections 1012
 12 through 1015;”; and

13 (ii) in paragraph (3), by striking the
 14 semicolon at the end and inserting “, except
 15 that for purposes of sections 1013 through
 16 1016, the term ‘financial institution’ does
 17 not include a credit union that is not an
 18 insured credit union;”;

19 (B) in section 1004(a)(4) (12 U.S.C. 3303),
 20 by striking “Consumer Financial Protection Bu-
 21 reau” and inserting “Bureau of Consumer Fi-
 22 nancial Protection”; and

23 (C) in section 1005 (12 U.S.C. 3304)—

24 (i) by striking “One-fifth” and insert-
 25 ing “One-fourth”; and

1 (ii) by inserting “described under sec-
2 tion 1003(1)(A)” after “agencies”.

3 (f) *ELECTION OF FORUM FOR REVIEW OF SUPER-*
4 *VISORY ENFORCEMENT.*—Section 8 of the Federal Deposit
5 *Insurance Act (12 U.S.C. 1818) is amended—*

6 (1) in subsection (b), by adding at the end the
7 *following:*

8 “(11) *HEARING.*—With respect to any notice
9 *properly issued and served upon a depository institu-*
10 *tion or institution-affiliated party under this sub-*
11 *section, such depository institution or institution-af-*
12 *filiated party shall be afforded a hearing before—*

13 “(A) the appropriate Federal banking agen-
14 *cy; or*

15 “(B) if such institution or person submits a
16 *request within 20 days after the issuance of the*
17 *notice, the appropriate United States district*
18 *court, and that court shall have jurisdiction to*
19 *adjudicate all claims and requested remedies*
20 *stated in the notice of charges, including those*
21 *authorized under this subsection.”;*

22 (2) in subsection (e), by adding at the end the
23 *following:*

24 “(8) *HEARING.*—With respect to any notice
25 *properly issued and served upon an institution-affili-*

1 *ated party under this subsection, such institution-aff-*
 2 *iliated party shall be afforded a hearing before—*

3 *“(A) the appropriate Federal banking agen-*
 4 *cy; or*

5 *“(B) if such party submits a request for*
 6 *such hearing and forum within 20 days after the*
 7 *issuance of the notice, the appropriate United*
 8 *States district court, and that court shall have*
 9 *jurisdiction to adjudicate all claims and re-*
 10 *quested remedies stated in the notice, including*
 11 *those authorized under this subsection.”;*

12 *(3) in subsection (h)—*

13 *(A) in paragraph (1), by striking “(other*
 14 *than the hearing provided for in subsection*
 15 *(g)(3) of this section)” and inserting “(other*
 16 *than the hearing provided for in subsection*
 17 *(b)(11)(B), (e)(8)(B), (g)(3), or (i)(2)(H)(ii))”;*
 18 *and*

19 *(B) by adding at the end the following:*

20 *“(4) Any hearing provided for in subsection*
 21 *(b)(11)(B), (e)(8)(B), or (i)(2)(H)(ii) shall be subject to the*
 22 *jurisdiction, powers, and equitable authority of the district*
 23 *court and be governed by the Federal Rules of Civil Proce-*
 24 *dure and the Federal Rules of Evidence.*

1 “(5) *Any final decision of a United States district*
 2 *court made pursuant to a respondent’s election under sub-*
 3 *section (b)(11)(B), (e)(8)(B), or (i)(2)(H)(ii) shall be re-*
 4 *viewable in the appropriate court of appeals in the same*
 5 *manner and to the same extent as any other civil action*
 6 *to which the United States is a party.”;*

7 (4) *in subsection (i)(2)—*

8 (A) *by amending subparagraph (E)(ii) to*
 9 *read as follows:*

10 “(ii) *FINALITY OF ASSESSMENT.—If,*
 11 *with respect to any assessment under clause*
 12 *(i), a hearing is not requested or an election*
 13 *is not made and timely noticed pursuant to*
 14 *subparagraph (H) within the period of time*
 15 *allowed under such subparagraph, the as-*
 16 *essment shall constitute a final and*
 17 *unappealable order.”;*

18 (B) *by amending subparagraph (H) to read*
 19 *as follows:*

20 “(H) *HEARING.—The insured depository*
 21 *institution or institution-affiliated party against*
 22 *whom any penalty is assessed under this para-*
 23 *graph shall be afforded a hearing before—*

24 “(i) *an agency, if such institution or*
 25 *person submits a request for such hearing*

1 *within 20 days after the issuance of the no-*
 2 *tice of assessment; or*

3 “(ii) *the appropriate United States*
 4 *district court, if such institution or person*
 5 *submits a request for such hearing and*
 6 *forum within 20 days after the issuance of*
 7 *the notice of assessment.”; and*

8 *(C) by amending subparagraph (I)(ii) to*
 9 *read as follows:*

10 “(ii) *APPROPRIATENESS OF PENALTY*
 11 *NOT REVIEWABLE.—In any civil action*
 12 *under clause (i), except a civil action tried*
 13 *in a United States district court pursuant*
 14 *to subsection (b)(11)(B), (e)(8)(B), or*
 15 *(i)(2)(H)(ii), the validity and appropriate-*
 16 *ness of the penalty shall not be subject to re-*
 17 *view.”; and*

18 *(5) by adding at the end the following:*

19 “(x) *SAVINGS CLAUSE.—Nothing in subsection*
 20 *(b)(11)(B), (e)(8)(B), or (i)(2)(H)(ii) shall be construed*
 21 *to—*

22 *“(1) limit the authority of a Federal banking*
 23 *agency to initiate an administrative enforcement ac-*
 24 *tion; or*

25 *“(2) impair the validity of any consent order.”.*

1 **SEC. 303. SUPERVISORY MODIFICATIONS FOR APPRO-**
 2 **PRIATE RISK-BASED TESTING.**

3 (a) *EXAMINATION RELIEF FOR CERTAIN WELL MAN-*
 4 *AGED AND WELL CAPITALIZED FINANCIAL INSTITU-*
 5 *TIONS.—*

6 (1) *INSURED DEPOSITORY INSTITUTIONS.—Sec-*
 7 *tion 10(d) of the Federal Deposit Insurance Act (12*
 8 *U.S.C. 1820(d)) is amended by adding at the end the*
 9 *following:*

10 “(11) *EXAMINATION RELIEF FOR CERTAIN WELL*
 11 *MANAGED AND WELL CAPITALIZED INSURED DEPOSI-*
 12 *TORY INSTITUTIONS.—*

13 “(A) *IN GENERAL.—The following shall*
 14 *apply to a well managed and well capitalized*
 15 *insured depository institution with*
 16 *\$6,000,000,000 or less in consolidated assets:*

17 “(i) *ALTERNATING LIMITED-SCOPE EX-*
 18 *AMINATIONS.—After an insured depository*
 19 *institution receives a full-scope, on-site ex-*
 20 *amination from the appropriate Federal*
 21 *banking agency, the next examination of the*
 22 *insured depository institution by the appro-*
 23 *priate Federal banking agency shall be a*
 24 *limited-scope examination, as determined*
 25 *by the appropriate Federal banking agency.*

1 “(ii) *COMBINED EXAMINATIONS.*—If an
2 insured depository institution is otherwise
3 subject to separate safety and soundness ex-
4 aminations, consumer compliance examina-
5 tions, and information technology and cy-
6 bersecurity examinations, the appropriate
7 Federal banking agency shall, upon request
8 of the insured depository institution, com-
9 bine two or three such examinations, as
10 specified by the insured depository institu-
11 tion, and carry them out at the same time.

12 “(B) *EXCEPTION.*—Subparagraph (A) shall
13 not apply to an insured depository institution
14 if—

15 “(i) the insured depository institution
16 is currently subject to a formal enforcement
17 proceeding or order by the Corporation or
18 the appropriate Federal banking agency; or

19 “(ii) a person acquired control of the
20 insured depository institution since the
21 most recent full-scope, on-site examination
22 of the insured depository institution from
23 the appropriate Federal banking agency.

24 “(C) *RULEMAKING.*—Not later than 12
25 months after the date of enactment of this para-

1 *graph, the Federal banking agencies shall issue*
2 *rules to carry out subparagraph (A), including,*
3 *with respect to an insured depository institution*
4 *described under subparagraph (A), to—*

5 *“(i) establish procedures for the lim-*
6 *ited-scope examinations described in sub-*
7 *paragraph (A)(i);*

8 *“(ii) establish procedures for reviewing*
9 *insured depository institutions described*
10 *under subparagraph (A), that—*

11 *“(I) experience material changes*
12 *in financial condition or operational*
13 *risk profile between scheduled examina-*
14 *tions; or*

15 *“(II) have failed to comply with*
16 *Federal or State banking laws and reg-*
17 *ulations; and*

18 *“(iii) balance the goals of streamlining*
19 *the examination cycle for individual in-*
20 *insured depository institutions and reducing*
21 *unnecessary regulatory burdens while main-*
22 *taining sufficient oversight to ensure the*
23 *continued safety and soundness of the in-*
24 *insured depository institutions and compli-*

1 *ance with all applicable laws and regula-*
 2 *tions.*

3 “(D) *RULE OF CONSTRUCTION.*—*Nothing in*
 4 *this paragraph may be construed to limit the au-*
 5 *thority of a Federal banking agency to conduct*
 6 *off-site monitoring, targeted reviews, or addi-*
 7 *tional full-scope, on-site examinations of an in-*
 8 *sured depository institution if the Federal bank-*
 9 *ing agency determines such monitoring, reviews,*
 10 *or examinations are necessary to ensure safety*
 11 *and soundness or compliance with applicable*
 12 *laws.*

13 “(E) *DEFINITIONS.*—*In this paragraph:*

14 “(i) *CONSUMER COMPLIANCE EXAMINA-*
 15 *TION.*—*The term ‘consumer compliance ex-*
 16 *amination’ means an examination to assess*
 17 *compliance with the requirements of Federal*
 18 *consumer financial law (as such term is de-*
 19 *finied in section 1002 of the Consumer Fi-*
 20 *nancial Protection Act of 2010).*

21 “(ii) *WELL CAPITALIZED.*—*The term*
 22 *‘well capitalized’ has the meaning given*
 23 *that term in section 38(b).*

24 “(iii) *WELL MANAGED.*—*With respect*
 25 *to an insured depository institution, the*

1 term ‘well managed’ means that, when the
 2 institution was most recently examined by
 3 the appropriate Federal banking agency, the
 4 institution was found to be well managed,
 5 and the institution’s composite condition
 6 was found to be satisfactory or out-
 7 standing.”.

8 (2) *INSURED CREDIT UNIONS.*—Section 204 of
 9 the Federal Credit Union Act (12 U.S.C. 1784) is
 10 amended by adding at the end the following:

11 “(h) *EXAMINATION RELIEF FOR CERTAIN WELL MAN-*
 12 *AGED AND WELL CAPITALIZED INSURED CREDIT*
 13 *UNIONS.*—

14 “(1) *IN GENERAL.*—The following shall apply to
 15 a well managed and well capitalized insured credit
 16 union with \$6,000,000,000 or less in consolidated as-
 17 sets:

18 “(A) *ALTERNATING LIMITED-SCOPE EXAMI-*
 19 *NATIONS.*—After an insured credit union receives
 20 a full-scope, on-site examination from the Na-
 21 tional Credit Union Administration, the next ex-
 22 amination of the insured credit union by the Na-
 23 tional Credit Union Administration shall be a
 24 limited-scope examination, as determined by the
 25 National Credit Union Administration.

1 “(B) *COMBINED EXAMINATIONS.*—If an in-
2 sured credit union is otherwise subject to sepa-
3 rate safety and soundness examinations, con-
4 sumer compliance examinations, and informa-
5 tion technology and cybersecurity examinations,
6 the National Credit Union Administration shall,
7 upon request of the insured credit union, com-
8 bine two or three such examinations, as specified
9 by the insured credit union, and carry them out
10 at the same time.

11 “(2) *EXCEPTION.*—Paragraph (1) shall not
12 apply to an insured credit union if the insured credit
13 union is currently subject to a formal enforcement
14 proceeding or order by the National Credit Union Ad-
15 ministration.

16 “(3) *RULEMAKING.*—Not later than 12 months
17 after the date of enactment of this subsection, the Na-
18 tional Credit Union Administration shall issue rules
19 to carry out paragraph (1), including, with respect to
20 an insured credit union described under paragraph
21 (1), to—

22 “(A) establish procedures for the limited-
23 scope examinations described in paragraph
24 (1)(A);

1 “(B) establish procedures for reviewing in-
2 sured credit unions that—

3 “(i) experience material changes in fi-
4 nancial condition or operational risk profile
5 between scheduled examinations; or

6 “(ii) have failed to comply with Fed-
7 eral or State banking laws and regulations;
8 and

9 “(C) balance the goals of streamlining the
10 examination cycle for individual insured credit
11 unions and reducing unnecessary regulatory bur-
12 dens while maintaining sufficient oversight to
13 ensure the continued safety and soundness of the
14 insured credit unions and compliance with all
15 applicable laws and regulations.

16 “(4) *RULE OF CONSTRUCTION.*—Nothing in this
17 subsection may be construed to limit the authority of
18 the National Credit Union Administration to conduct
19 off-site monitoring, targeted reviews, or additional
20 full-scope, on-site examinations of an insured credit
21 union if the National Credit Union Administration
22 determines such monitoring, reviews, or examinations
23 are necessary to ensure safety and soundness or com-
24 pliance with applicable laws.

25 “(5) *DEFINITIONS.*—In this paragraph:

1 “(A) *CONSUMER COMPLIANCE EXAMINA-*
 2 *TION.*—*The term ‘consumer compliance examina-*
 3 *tion’ means an examination to assess compliance*
 4 *with the requirements of Federal consumer fi-*
 5 *nancial law (as such term is defined in section*
 6 *1002 of the Consumer Financial Protection Act*
 7 *of 2010).*

8 “(B) *WELL CAPITALIZED.*—*The term ‘well*
 9 *capitalized’ has the meaning given that term in*
 10 *section 216(c).*

11 “(C) *WELL MANAGED.*—*With respect to an*
 12 *insured credit union, the term ‘well managed’*
 13 *means that, when the credit union was most re-*
 14 *cently examined by the National Credit Union*
 15 *Administration, the credit union was found to be*
 16 *well managed, and the credit union’s composite*
 17 *condition was found to be satisfactory or out-*
 18 *standing.’.*

19 (b) *EXAMINATION PRACTICES.*—

20 (1) *INSURED DEPOSITORY INSTITUTIONS.*—*Sec-*
 21 *tion 10(d) of the Federal Deposit Insurance Act (12*
 22 *U.S.C. 1820(d)), as amended by subsection (a)(1), is*
 23 *further amended by adding at the end the following:*

24 “(12) *EXAMINATION PRACTICES.*—*With respect*
 25 *to on-site examination of an insured depository insti-*

1 *tution with less than \$6,000,000,000 in total assets,*
2 *the appropriate Federal banking agency shall—*

3 *“(A) ensure the examination is led by, to*
4 *the maximum extent practicable, an examiner*
5 *with significant experience as an examiner;*

6 *“(B) make every effort, to the maximum ex-*
7 *tent practicable, to minimize the number of ex-*
8 *aminers utilized and the amount of time spent*
9 *at the institution to carry out the examination;*

10 *“(C) make every effort, to the maximum ex-*
11 *tent practicable, to schedule the examination at*
12 *a time that is convenient for the institution; and*

13 *“(D) to the maximum extent practicable,*
14 *give the institution advance notice of issues ex-*
15 *pected to be covered in the examination.*

16 *“(13) REPORT.—In its annual report to Con-*
17 *gress, each Federal banking agency shall include—*

18 *“(A) information on how the agency is com-*
19 *plying with paragraphs (11) and (12); and*

20 *“(B) aggregate data summarizing the agen-*
21 *cy’s examination practices with respect to in-*
22 *sured depository institutions with less than*
23 *\$6,000,000,000 in total assets, including—*

24 *“(i) the average experience of exam-*
25 *iners, including the average number of*

1 *years of examiner experience of those who*
2 *lead on-site examinations;*

3 “(ii) *the average number of examiners*
4 *utilized; and*

5 “(iii) *the average amount of time the*
6 *agency spends visiting such institutions for*
7 *on-site examinations.”.*

8 (2) *INSURED CREDIT UNIONS.*—Section 204 of
9 *the Federal Credit Union Act (12 U.S.C. 1784), as*
10 *amended by subsection (a)(2), is further amended by*
11 *adding at the end the following:*

12 “(i) *EXAMINATION PRACTICES.*—With respect to on-
13 *site examination of an insured credit union with less than*
14 *\$6,000,000,000 in total assets, the National Credit Union*
15 *Administration shall—*

16 “(1) *ensure the examination is led by, to the*
17 *maximum extent practicable, an examiner with sig-*
18 *nificant experience as an examiner;*

19 “(2) *make every effort, to the maximum extent*
20 *practicable, to minimize the number of examiners uti-*
21 *lized and the amount of time spent at the credit*
22 *union to carry out the examination;*

23 “(3) *make every effort, to the maximum extent*
24 *practicable, to schedule the examination at a time*
25 *that is convenient for the credit union; and*

1 “(4) to the maximum extent practicable, give the
2 credit union advance notice of issues expected to be
3 covered in the examination.

4 “(j) *REPORT.*—In its annual report to Congress, the
5 National Credit Union Administration shall include—

6 “(1) information on how the Administration is
7 complying with subsections (h) and (i); and

8 “(2) aggregate data summarizing the Adminis-
9 tration’s examination practices with respect to in-
10 sured credit unions with less than \$6,000,000,000 in
11 total assets, including—

12 “(A) the average experience of examiners,
13 including the average number of years of exam-
14 iner experience of those who lead on-site exami-
15 nations;

16 “(B) the average number of examiners uti-
17 lized; and

18 “(C) the average amount of time the Ad-
19 ministration spends visiting such credit unions
20 for on-site examinations.”.

21 **SEC. 304. TAILORED REGULATORY UPDATES FOR SUPER-**
22 **VISORY TESTING.**

23 Section 10(d) of the Federal Deposit Insurance Act (12
24 U.S.C. 1820(d)) is amended—

1 (1) in paragraph (4)(A), by striking
 2 “\$3,000,000,000” and inserting “\$6,000,000,000”;
 3 and

4 (2) in paragraph (10), by striking
 5 “\$3,000,000,000” and inserting “\$6,000,000,000”.

6 **SEC. 305. FINANCIAL INTEGRITY AND REGULATION MAN-**
 7 **AGEMENT.**

8 (a) *FINDINGS.*—Congress finds that—

9 (1) the primary objective of financial regulation
 10 and supervision by the Federal banking agencies is to
 11 promote safety and soundness of depository institu-
 12 tions;

13 (2) all federally legal businesses and law-abiding
 14 citizens regardless of political ideology should have
 15 equal opportunity to obtain financial services and
 16 should not face unlawful discrimination in obtaining
 17 such services;

18 (3) financial service providers are private enti-
 19 ties entitled to provide services to whichever customers
 20 they so choose, provided that those decisions do not
 21 violate the law;

22 (4) financial service providers should strive to
 23 ensure that all business decisions are based on factors
 24 free from unlawful prejudice or political influence;

1 (5) *the use of reputational risk in supervisory*
2 *frameworks encourages Federal banking agencies to*
3 *regulate depository institutions based on the subjective*
4 *view of negative publicity and provides cover for the*
5 *agencies to implement their own political agenda un-*
6 *related to the safety and soundness of a depository in-*
7 *stitution;*

8 (6) *Federal banking agencies have in fact used*
9 *reputational risk to limit access of federally legal*
10 *businesses and law-abiding citizens to financial serv-*
11 *ices in 2018 when the Federal Deposit Insurance Cor-*
12 *poration acknowledged that the agency used*
13 *reputational risk reviews to limit access to financial*
14 *services by certain industries, commonly known as*
15 *“Operation Choke Point”; and*

16 (7) *reputational risk does not appear in any*
17 *statute and is an unnecessary and improper use of*
18 *supervisory authority that does not contribute to the*
19 *safety and soundness of the financial system.*

20 (b) *DEFINITIONS.—In this section:*

21 (1) *DEPOSITORY INSTITUTION.—The term “de-*
22 *pository institution”—*

23 (A) *has the meaning given the term in sec-*
24 *tion 3 of the Federal Deposit Insurance Act (12*
25 *U.S.C. 1813);*

1 *(B) includes a depository institution hold-*
 2 *ing company, as such term is defined in section*
 3 *3 of the Federal Deposit Insurance Act (12*
 4 *U.S.C. 1813); and*

5 *(C) includes an insured credit union, as*
 6 *such term is defined in section 101 of the Federal*
 7 *Credit Union Act (12 U.S.C. 1752).*

8 (2) *FEDERAL BANKING AGENCY.*—*The term*
 9 *“Federal banking agency”—*

10 *(A) has the meaning given the term in sec-*
 11 *tion 3 of the Federal Deposit Insurance Act (12*
 12 *U.S.C. 1813); and*

13 *(B) includes—*

14 *(i) the National Credit Union Admin-*
 15 *istration; and*

16 *(ii) the Bureau of Consumer Financial*
 17 *Protection.*

18 (3) *FOREIGN TERRORIST ORGANIZATION.*—*The*
 19 *term “foreign terrorist organization” means a foreign*
 20 *organization that is designated by the Secretary of*
 21 *State in accordance with section 219 of the Immigra-*
 22 *tion and Nationality Act (8 U.S.C. 1189).*

23 (4) *REPUTATIONAL RISK.*—*The term*
 24 *“reputational risk” means the potential that negative*
 25 *publicity or negative public opinion regarding a de-*

1 *pository institution’s business practices, whether true*
 2 *or not, will cause a decline in confidence in the insti-*
 3 *tution or a decline in the customer base, costly litiga-*
 4 *tion, or revenue reductions or otherwise adversely im-*
 5 *pact the depository institution. The previous sentence*
 6 *does not apply to negative publicity or negative pub-*
 7 *lic opinion regarding an institution’s business prac-*
 8 *tices where such practices involve unlawful trans-*
 9 *actions in connection with state sponsors of terrorism*
 10 *or foreign terrorist organizations.*

11 (5) *STATE SPONSORS OF TERRORISM.—The term*
 12 *“state sponsors of terrorism” means a country, the*
 13 *government of which has been determined by the Sec-*
 14 *retary of State to have repeatedly provided support*
 15 *for acts of international terrorism, for purposes of—*

16 (A) *section 1754(c)(1)(A)(i) of the Export*
 17 *Control Reform Act of 2018 (50 U.S.C.*
 18 *4813(c)(1)(A)(i));*

19 (B) *section 620A of the Foreign Assistance*
 20 *Act of 1961 (22 U.S.C. 2371);*

21 (C) *section 40(d) of the Arms Export Con-*
 22 *trol Act (22 U.S.C. 2780(d)); or*

23 (D) *any other provision of law.*

24 (c) *REMOVAL OF REPUTATIONAL RISK AS A CONSID-*
 25 *ERATION IN THE SUPERVISION OF DEPOSITORY INSTITU-*

1 TIONS.—Each Federal banking agency shall remove from
 2 any guidance, rule, examination manual, or similar docu-
 3 ment established by the agency any reference to
 4 reputational risk, or any term substantially similar, re-
 5 garding the supervision of depository institutions such that
 6 reputational risk, or any term substantially similar, is no
 7 longer taken into consideration by the Federal banking
 8 agency when examining and supervising a depository insti-
 9 tution.

10 (d) PROHIBITION.—No Federal banking agency may
 11 engage in any activity concerning or related to the regula-
 12 tion, supervision, or examination of the reputational risk,
 13 or any term substantially similar, or the management
 14 thereof, of a depository institution, including—

15 (1) establishing any rule, regulation, require-
 16 ment, standard, or supervisory expectation concerning
 17 or related to the reputational risk, or any term sub-
 18 stantially similar, or the management thereof, of a
 19 depository institution whether binding or not;

20 (2) conducting any examination, assessment,
 21 data collection, or other supervisory exercise con-
 22 cerning or related to reputational risk, or any term
 23 substantially similar, or the management thereof, of a
 24 depository institution;

1 (3) *issuing any examination finding, super-*
2 *visory criticism, or other supervisory or examination*
3 *communication concerning or related to reputational*
4 *risk, or any term substantially similar, or the man-*
5 *agement thereof, of a depository institution;*

6 (4) *making any supervisory ratings decision or*
7 *determination that is based, in whole or in part, on*
8 *any matter concerning or related to reputational risk,*
9 *or any term substantially similar, or the management*
10 *thereof, of a depository institution; and*

11 (5) *taking any formal or informal enforcement*
12 *action that is based, in whole or in part, on any mat-*
13 *ter concerning or related to reputational risk, or any*
14 *term substantially similar, or the management there-*
15 *of, of a depository institution.*

16 (e) *REPORTS.*—*Not later than 180 days after the date*
17 *of enactment of this Act, each Federal banking agency shall*
18 *submit to the Committee on Banking, Housing, and Urban*
19 *Affairs of the Senate and the Committee on Financial Serv-*
20 *ices of the House of Representatives a report that—*

21 (1) *confirms implementation of this section; and*

22 (2) *describes any changes made to internal poli-*
23 *cies as a result of this section.*

1 **TITLE IV—REGULATORY AC-**
 2 **COUNTABILITY AND TRANS-**
 3 **PARENCY**

4 **SEC. 401. FDIC BOARD ACCOUNTABILITY.**

5 *Section 2 of the Federal Deposit Insurance Act (12*
 6 *U.S.C. 1812) is amended—*

7 *(1) by striking “Consumer Financial Protection*
 8 *Bureau” each place such term appears and inserting*
 9 *“Bureau of Consumer Financial Protection”;*

10 *(2) by amending subsection (a)(1)(C) to read as*
 11 *follows:*

12 *“(C) 3 of whom shall be appointed by the*
 13 *President, by and with the advice and consent of*
 14 *the Senate, from among individuals who are citi-*
 15 *zens of the United States, 1 of whom shall have*
 16 *State bank supervisory experience, and sepa-*
 17 *rately 1 of whom shall have demonstrated pri-*
 18 *mary experience working in or supervising de-*
 19 *pository institutions having less than*
 20 *\$17,000,000,000 in total assets.”; and*

21 *(3) in subsection (c)—*

22 *(A) in paragraph (1), by adding at the end*
 23 *the following: “No individual may be appointed*
 24 *as a member for more than two terms.”; and*

25 *(B) by adding at the end the following:*

1 “(4) *MAXIMUM LENGTH OF SERVICE.*—Notwith-
 2 standing any other provision of this Act, no person
 3 shall serve as a member for more than twelve years
 4 in total.”.

5 **SEC. 402. STOP AGENCY FIAT ENFORCEMENT OF GUIDANCE.**

6 (a) *IN GENERAL.*—The head of each financial agency
 7 shall include a guidance clarity statement as described in
 8 subsection (b) on any guidance issued by that financial
 9 agency on and after the date of the enactment of this Act.

10 (b) *GUIDANCE CLARITY STATEMENT.*—A guidance
 11 clarity statement required under subsection (a) shall be dis-
 12 played prominently on the first page of the document and
 13 shall include the following: “This guidance does not have
 14 the force and effect of law and therefore does not establish
 15 any rights or obligations for any person and is not binding
 16 on the agency or the public. If this guidance suggests how
 17 regulated entities may comply with applicable statutes or
 18 regulations, noncompliance with this guidance does not con-
 19 clusively establish a violation of applicable law.”.

20 (c) *DEFINITIONS.*—In this section:

21 (1) *FINANCIAL AGENCY.*—The term “financial
 22 agency” means the following:

23 (A) *The Bureau of Consumer Financial*
 24 *Protection.*

1 (B) *The Department of Housing and Urban*
2 *Development.*

3 (C) *The Department of the Treasury.*

4 (D) *The Federal Deposit Insurance Cor-*
5 *poration.*

6 (E) *The Federal Housing Finance Agency.*

7 (F) *The Board of Governors of the Federal*
8 *Reserve System.*

9 (G) *The National Credit Union Adminis-*
10 *tration.*

11 (H) *The Office of the Comptroller of the*
12 *Currency.*

13 (I) *The Securities and Exchange Commis-*
14 *sion.*

15 (2) *GUIDANCE.—The term “guidance” means a*
16 *financial agency statement of general applicability,*
17 *intended to have a future effect on the behavior of reg-*
18 *ulated parties, that sets forth a policy on a statutory,*
19 *regulatory, or technical issue, or an interpretation of*
20 *a statute or regulation, but does not include—*

21 (A) *a rule promulgated pursuant to notice*
22 *and comment under section 553 of title 5, United*
23 *States Code;*

1 (B) a rule exempt from rulemaking require-
 2 ments under section 553(a) of title 5, United
 3 States Code;

4 (C) a rule of financial agency organization,
 5 procedure, or practice under section 553(b)(A) of
 6 title 5, United States Code;

7 (D) a decision of a financial agency adju-
 8 dication under section 554 of title 5, United
 9 States Code, or any similar statutory provision;

10 (E) internal guidance directed to the
 11 issuing financial agency or other agency that is
 12 not intended to have a substantial future effect
 13 on the behavior of regulated parties; or

14 (F) internal executive branch legal advice or
 15 legal opinions addressed to executive branch offi-
 16 cials.

17 **SEC. 403. REGULATORY EFFICIENCY, VERIFICATION,**
 18 **ITEMIZATION, AND ENHANCED WORKFLOW.**

19 Section 2222 of the Economic Growth and Regulatory
 20 Paperwork Reduction Act of 1996 (12 U.S.C. 3311) is
 21 amended—

22 (1) by striking “appropriate Federal banking
 23 agency” each place such term appears and inserting
 24 “Federal financial institutions regulatory agency”;

(2) by striking “appropriate Federal banking agencies” and inserting “Federal financial institutions regulatory agencies”;

(3) in subsection (a)—

(A) by striking “represented on the Council”; and

(B) by striking “once every 10 years” and inserting “once every 8 years”;

(4) in subsection (b)—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively (and adjusting the margins accordingly);

(B) by striking “In conducting” and inserting the following:

“(1) SOLICITATION OF PUBLIC COMMENT.—In conducting”; and

(C) by adding at the end the following:

“(2) INTERNAL REVIEW OF CUMULATIVE IMPACT.—Each Federal financial institutions regulatory agency shall conduct an internal review of the cumulative impact of regulations issued by the Federal financial institutions regulatory agency that—

“(A) assesses the effects of such regulations on consumers’ access to financial products and services;

1 “(B) assesses the effects of such regulations
2 on the availability of financial products and
3 services to financial and nonfinancial firms;

4 “(C) assesses the impact of such regulations
5 on credit availability and financial market li-
6 quidity in United States financial markets;

7 “(D) assesses the balance of benefits and
8 costs of such regulations with respect to the safe-
9 ty and soundness of the United States financial
10 system and overall economic activity in the
11 United States;

12 “(E) to the extent practicable, quantifies the
13 direct and indirect economic costs imposed by
14 such regulations; and

15 “(F) includes recommendations to stream-
16 line or eliminate duplicative, outdated, and un-
17 necessarily burdensome regulations.”;

18 (5) in subsection (c)—

19 (A) by striking “subsection (b)(2)” and in-
20 serting “subsection (b)(1)(B), and the internal
21 review under subsection (b)(2),”; and

22 (B) by striking “once every 10 years” and
23 inserting “once every 8 years”;

24 (6) in subsection (e)—

1 (A) in paragraph (1), by striking “and” at
2 the end;

3 (B) by redesignating paragraph (2) as
4 paragraph (3);

5 (C) by inserting after paragraph (1) the fol-
6 lowing:

7 “(2) a summary of the findings and determina-
8 tions of each Federal financial institutions regulatory
9 agency of the internal review conducted by the Fed-
10 eral financial institutions regulatory agency under
11 subsection (b)(2); and”; and

12 (D) in paragraph (3), as so redesignated, by
13 striking “the regulatory burdens associated with
14 such issues by regulation” and inserting “the
15 regulatory burdens associated with the issues
16 identified by public comments received by the
17 Council and the Federal financial institutions
18 regulatory agencies, as well as the regulatory
19 burdens identified by each Federal financial in-
20 stitutions regulatory agency through the internal
21 reviews conducted under subsection (b)(2), by
22 regulation”; and

23 (7) by adding at the end the following:

24 “(f) *FEDERAL FINANCIAL INSTITUTIONS REGULATORY*
25 *AGENCY DEFINED.*—The term ‘Federal financial institu-

1 *tions regulatory agency’ has the meaning given that term*
 2 *in section 1003 of the Federal Financial Institutions Exam-*
 3 *ination Council Act of 1978 (12 U.S.C. 3302).”.*

4 **SEC. 404. AMERICAN FINANCIAL INSTITUTION REGU-**
 5 **LATORY SOVEREIGNTY AND TRANSPARENCY.**

6 *(a) ANNUAL REPORTING ON INTERACTIONS BETWEEN*
 7 *FEDERAL BANKING SUPERVISORY AGENCIES AND GLOBAL*
 8 *FINANCIAL REGULATORY OR SUPERVISORY FORUMS.—*

9 *(1) BOARD OF GOVERNORS OF THE FEDERAL RE-*
 10 *SERVE SYSTEM.—The seventh undesignated para-*
 11 *graph of section 10 of the Federal Reserve Act (12*
 12 *U.S.C. 247) is amended—*

13 *(A) by striking “The Board” and inserting*
 14 *the following:*

15 *“(7) ANNUAL REPORT.—*

16 *“(A) IN GENERAL.—The Board”;*

17 *(B) by striking the second sentence; and*

18 *(C) by adding at the end the following:*

19 *“(B) INTERACTIONS WITH GLOBAL FINAN-*
 20 *CIAL REGULATORY OR SUPERVISORY FORUMS.—*

21 *The report required under subparagraph (A)*
 22 *shall include a description of the Board’s inter-*
 23 *actions with global financial regulatory or su-*
 24 *pervisory forums, including—*

1 “(i) a description of the financial regu-
2 latory or supervisory standard-setting issues
3 under discussion at the global financial reg-
4 ulatory or supervisory forums during the
5 period covered by the report;

6 “(ii) a description of the rationale, ob-
7 jectives, and potential effects that rules pro-
8 posed, rules under consideration, final rules
9 adopted, guidance proposed, guidance under
10 consideration, final guidance adopted, or
11 any other similar actions discussed at the
12 global financial regulatory or supervisory
13 forums could have, including an economic
14 impact analysis on whether the expected
15 costs would be at least offset by the expected
16 benefits related to economic, national secu-
17 rity, financial stability, or other national
18 interests;

19 “(iii) a description of the positions
20 taken by representatives of the Board at the
21 global financial regulatory or supervisory
22 forums during the period covered by the re-
23 port; and

24 “(iv) a description of the efforts by the
25 Board to increase transparency at global fi-

1 *financial regulatory or supervisory forums*
2 *during the period covered by the report.*

3 “(C) *GLOBAL FINANCIAL REGULATORY OR*
4 *SUPERVISORY FORUM DEFINED.*—

5 “(i) *IN GENERAL.*—*In this paragraph,*
6 *the term ‘global financial regulatory or su-*
7 *pervisory forum’ means any association or*
8 *union of nations through or by which two*
9 *or more foreign authorities engage in some*
10 *aspect of their conduct of international af-*
11 *fairs regarding financial supervision and*
12 *regulation, including—*

13 “(I) *the Bank for International*
14 *Settlements;*

15 “(II) *the Basel Committee on*
16 *Banking Supervision;*

17 “(III) *the Financial Stability*
18 *Board;*

19 “(IV) *the International Associa-*
20 *tion of Insurance Supervisors; and*

21 “(V) *the Network of Central*
22 *Banks and Supervisors for Greening*
23 *the Financial System.*

1 “(ii) *EXCEPTION.*—The term ‘global fi-
 2 nancial regulatory or supervisory forum’
 3 does not include—

4 “(I) *international financial insti-*
 5 *tutions, as defined in section*
 6 *1701(c)(2) of the International Finan-*
 7 *cial Institutions Act (22 U.S.C.*
 8 *262r(c)(2)); or*

9 “(II) *any international organiza-*
 10 *tion with respect to which the Board*
 11 *participates pursuant to a treaty to*
 12 *which the United States is a party.”.*

13 (2) *OFFICE OF THE COMPTROLLER OF THE CUR-*
 14 *RENCY.*—

15 (A) *IN GENERAL.*—The second section 333
 16 of the Revised Statutes of the United States (12
 17 U.S.C. 14; relating to an annual report) is
 18 amended to read as follows:

19 **“SEC. 333. REPORT OF COMPTROLLER.**

20 “(a) *IN GENERAL.*—The Comptroller of the Currency
 21 shall make an annual report to Congress.

22 “(b) *INTERACTIONS WITH GLOBAL FINANCIAL REGU-*
 23 *LATORY OR SUPERVISORY FORUMS.*—The report required
 24 under subsection (a) shall include a description of the

1 *Comptroller’s interactions with global financial regulatory*
2 *or supervisory forums, including—*

3 “(1) *a description of the financial regulatory or*
4 *supervisory standard-setting issues under discussion*
5 *at the global financial regulatory or supervisory fo-*
6 *runs during the period covered by the report;*

7 “(2) *a description of the rationale, objectives,*
8 *and potential effects that rules proposed, rules under*
9 *consideration, final rules adopted, guidance proposed,*
10 *guidance under consideration, final guidance adopted,*
11 *or any other similar actions discussed at the global*
12 *financial regulatory or supervisory forums could*
13 *have, including an economic impact analysis on*
14 *whether the expected costs would be at least offset by*
15 *the expected benefits related to economic, national se-*
16 *curity, financial stability, or other national interests;*
17 *and*

18 “(3) *a description of the positions taken by rep-*
19 *resentatives of the Comptroller at the global financial*
20 *regulatory or supervisory forums during the period*
21 *covered by the report; and*

22 “(4) *a description of the efforts by the Comp-*
23 *troller to increase transparency at global financial*
24 *regulatory or supervisory forums during the period*
25 *covered by the report.*

1 “(c) *GLOBAL FINANCIAL REGULATORY OR SUPER-*
2 *VISORY FORUM DEFINED.*—

3 “(1) *IN GENERAL.*—*In this section, the term*
4 *‘global financial regulatory or supervisory forum’*
5 *means any association or union of nations through or*
6 *by which two or more foreign authorities engage in*
7 *some aspect of their conduct of international affairs*
8 *regarding financial supervision and regulation, in-*
9 *cluding—*

10 “(A) *the Bank for International Settle-*
11 *ments;*

12 “(B) *the Basel Committee on Banking Su-*
13 *pervision;*

14 “(C) *the Financial Stability Board;*

15 “(D) *the International Association of Insur-*
16 *ance Supervisors; and*

17 “(E) *the Network of Central Banks and Su-*
18 *pervisors for Greening the Financial System.*

19 “(2) *EXCEPTION.*—*The term ‘global financial*
20 *regulatory or supervisory forum’ does not include—*

21 “(A) *international financial institutions, as*
22 *defined in section 1701(c)(2) of the International*
23 *Financial Institutions Act (22 U.S.C.*
24 *262r(c)(2)); or*

1 “(B) *any international organization with*
 2 *respect to which the Comptroller participates*
 3 *pursuant to a treaty to which the United States*
 4 *is a party.*”.

5 (B) *TECHNICAL CORRECTION.—Chapter*
 6 *nine of title VII of the Revised Statutes of the*
 7 *United States is amended—*

8 (i) *by redesignating the first section*
 9 *333 (12 U.S.C. 14a; relating to data stand-*
 10 *ards) as section 332;*

11 (ii) *by moving such section so as to ap-*
 12 *pear after section 331; and*

13 (iii) *in the table of contents of such*
 14 *chapter, by amending the item relating to*
 15 *section 332 to read as follows:*

“332. *Data standards; open data publication.*”.

16 (3) *FEDERAL DEPOSIT INSURANCE CORPORA-*
 17 *TION.—Section 17(a) of the Federal Deposit Insur-*
 18 *ance Act (12 U.S.C. 1827(a)) is amended by striking*
 19 *paragraph (3) and inserting the following:*

20 “(3) *INTERACTIONS WITH GLOBAL FINANCIAL*
 21 *REGULATORY OR SUPERVISORY FORUMS.—The report*
 22 *required under paragraph (1) shall include a descrip-*
 23 *tion of the Corporation’s interactions with global fi-*
 24 *nancial regulatory or supervisory forums, includ-*
 25 *ing—*

1 “(A) a description of the financial regu-
2 latory or supervisory standard-setting issues
3 under discussion at the global financial regu-
4 latory or supervisory forums during the period
5 covered by the report;

6 “(B) a description of the rationale, objec-
7 tives, and potential effects that rules proposed,
8 rules under consideration, final rules adopted,
9 guidance proposed, guidance under consider-
10 ation, final guidance adopted, or any other simi-
11 lar actions discussed at the global financial regu-
12 latory or supervisory forums could have, includ-
13 ing an economic impact analysis on whether the
14 expected costs would be at least offset by the ex-
15 pected benefits related to economic, national se-
16 curity, financial stability, or other national in-
17 terests;

18 “(C) a description of the positions taken by
19 representatives of the Corporation at the global
20 financial regulatory or supervisory forums dur-
21 ing the period covered by the report; and

22 “(D) a description of the efforts by the Cor-
23 poration to increase transparency at global fi-
24 nancial regulatory or supervisory forums during
25 the period covered by the report.

1 “(4) *GLOBAL FINANCIAL REGULATORY OR SU-*
 2 *PERVISORY FORUM DEFINED.*—

3 “(A) *IN GENERAL.*—*In this subsection, the*
 4 *term ‘global financial regulatory or supervisory*
 5 *forum’ means any association or union of na-*
 6 *tions through or by which two or more foreign*
 7 *authorities engage in some aspect of their con-*
 8 *duct of international affairs regarding financial*
 9 *supervision and regulation, including—*

10 “(i) *the Bank for International Settle-*
 11 *ments;*

12 “(ii) *the Basel Committee on Banking*
 13 *Supervision;*

14 “(iii) *the Financial Stability Board;*

15 “(iv) *the International Association of*
 16 *Insurance Supervisors; and*

17 “(v) *the Network of Central Banks and*
 18 *Supervisors for Greening the Financial Sys-*
 19 *tem.*

20 “(B) *EXCEPTION.*—*The term ‘global finan-*
 21 *cial regulatory or supervisory forum’ does not*
 22 *include—*

23 “(i) *international financial institu-*
 24 *tions, as defined in section 1701(c)(2) of the*

1 *International Financial Institutions Act*
 2 *(22 U.S.C. 262r(c)(2)); or*
 3 “(ii) *any international organization*
 4 *with respect to which the Corporation par-*
 5 *ticipates pursuant to a treaty to which the*
 6 *United States is a party.*”.

7 (b) *BIANNUAL CONGRESSIONAL TESTIMONY ON INTER-*
 8 *ACTIONS WITH GLOBAL FINANCIAL REGULATORY OR SU-*
 9 *PERVISORY FORUMS.*—*Paragraph (12) of section 10 of the*
 10 *Federal Reserve Act (12 U.S.C. 247b) is amended by insert-*
 11 *ing before the period at the end the following: “and with*
 12 *respect to the conduct of interactions at global financial reg-*
 13 *ulatory or supervisory forums (as defined in paragraph*
 14 *(7)(C))”.*

15 ***TITLE V—STRENGTHENING***
 16 ***LOCAL BANK FUNDING***

17 ***SEC. 501. BRINGING THE DISCOUNT WINDOW INTO THE***
 18 ***21ST CENTURY.***

19 *Section 10 of the Federal Reserve Act (12 U.S.C. 241*
 20 *et seq.) is amended by inserting after paragraph (10) the*
 21 *following:*

22 “(11) *REVIEW OF DISCOUNT WINDOW OPER-*
 23 *ATIONS.*—

24 “(A) *IN GENERAL.*—*Not later than 60 days*
 25 *after the date of enactment of this paragraph, the*

1 *Board of Governors shall commence a review of*
2 *the discount window lending programs of the*
3 *Federal reserve banks (the ‘discount window’),*
4 *and shall complete such review not later than*
5 *240 days after the date of enactment of this*
6 *paragraph.*

7 *“(B) CONTENTS.—The review required by*
8 *subparagraph (A) shall include a consideration*
9 *of—*

10 *“(i) the effectiveness of the discount*
11 *window in providing liquidity to financial*
12 *institutions, including in times of financial*
13 *stress;*

14 *“(ii) whether the technology infrastruc-*
15 *ture, including means of communications,*
16 *are sufficient to support the timely provi-*
17 *sion of liquidity, including in times of fi-*
18 *nancial stress;*

19 *“(iii) the effectiveness of cybersecurity*
20 *measures implemented with respect to dis-*
21 *count window operations;*

22 *“(iv) the effectiveness of communica-*
23 *tions between Federal reserve banks, finan-*
24 *cial institutions, the Board of Governors,*
25 *the Federal Deposit Insurance Corporation,*

1 *the Comptroller of the Currency, and the*
2 *Secretary of the Treasury regarding dis-*
3 *count window operations;*

4 *“(v) the effectiveness of the Board of*
5 *Governors in providing oversight of the dis-*
6 *count window and in ensuring consistent*
7 *access to the discount window across the*
8 *Federal Reserve System;*

9 *“(vi) how the discount window inter-*
10 *acts with other providers of liquidity, in-*
11 *cluding the Federal Home Loan Banks,*
12 *during both normal operations and times of*
13 *financial distress;*

14 *“(vii) the effectiveness of existing dis-*
15 *count window operating hours and whether*
16 *such hours should be expanded, taking into*
17 *account the interaction between discount*
18 *window operating hours and the operating*
19 *hours of payment systems of the Federal re-*
20 *serve banks, such as the Fedwire Funds*
21 *Service and FedNow Service;*

22 *“(viii) the impact of mobile banking*
23 *and instant communications technology on*
24 *depositor behavior and liquidity risk posed*

1 to financial institutions, including how the
2 discount window can—

3 “(I) help financial institutions
4 better respond to rapid liquidity short-
5 falls; and

6 “(II) prevent broader financial
7 instability; and

8 “(ix) the effectiveness of the discount
9 window in light of the stigma associated
10 with its usage, ways to reduce such stigma,
11 and ways to improve access, operational ef-
12 ficiency, transparency, and timeliness of the
13 process for financial institutions seeking ad-
14 vances, including on the pricing and other
15 terms of such advances.

16 “(C) REMEDIATION PLAN.—After the Board
17 of Governors completes the review required by
18 subparagraph (A), the Board of Governors, in
19 consultation with the Federal reserve banks,
20 shall—

21 “(i) identify deficiencies with the dis-
22 count window and areas for enhancing dis-
23 count window effectiveness; and

24 “(ii) develop a written plan to reme-
25 diate the identified deficiencies and imple-

1 *ment the identified enhancements, which*
2 *shall include—*

3 *“(I) an identification of actions*
4 *that will be taken to enhance discount*
5 *window effectiveness and remediate*
6 *identified deficiencies;*

7 *“(II) timelines and milestones for*
8 *implementing the plan and measures*
9 *to demonstrate how the implemented*
10 *improvements will be maintained on*
11 *an ongoing basis; and*

12 *“(III) measures of managing and*
13 *controlling any deficiencies and cur-*
14 *rent operations until the plan is imple-*
15 *mented in full.*

16 *“(D) REPORT TO CONGRESS ON REVIEW*
17 *AND PLAN.—*

18 *“(i) IN GENERAL.—Not later than 365*
19 *days after the date of enactment of this*
20 *paragraph, the Board of Governors shall*
21 *submit a report to the Committee on Finan-*
22 *cial Services of the House of Representatives*
23 *and the Committee on Banking, Housing,*
24 *and Urban Affairs of the Senate con-*
25 *taining—*

1 “(I) the findings of the review re-
2 quired by subparagraph (A); and

3 “(II) the remediation plan re-
4 quired by subparagraph (C).

5 “(ii) CONSULTATION.—Before submit-
6 ting the report required by clause (i), the
7 Board of Governors shall—

8 “(I) provide a copy of the pro-
9 posed report to the Comptroller of the
10 Currency, the Federal Deposit Insur-
11 ance Corporation, and the Secretary of
12 the Treasury; and

13 “(II) provide the Comptroller of
14 the Currency, the Federal Deposit In-
15 surance Corporation, and the Secretary
16 of the Treasury with an opportunity to
17 provide feedback on the report.

18 “(iii) TESTIMONY.—The Chairman of
19 the Board of Governors shall, at the semi-
20 annual hearing required under section 2B,
21 testify with respect to the contents of the re-
22 port required under this subparagraph.

23 “(E) ANNUAL REPORTS TO CONGRESS.—

24 “(i) REPORTS BY THE BOARD.—The
25 Board of Governors shall submit an annual

1 *report to the Committee on Financial Serv-*
2 *ices of the House of Representatives and the*
3 *Committee on Banking, Housing, and*
4 *Urban Affairs of the Senate containing a*
5 *review of the effectiveness of discount win-*
6 *dow operations and a progress report on the*
7 *actions taken to implement the identified*
8 *enhancements described in subparagraph*
9 *(C).*

10 “(ii) *REPORTS BY THE INSPECTOR*
11 *GENERAL.—The Inspector General of the*
12 *Board of Governors of the Federal Reserve*
13 *System and the Bureau of Consumer Fi-*
14 *nancial Protection shall submit an annual*
15 *report to the Committee on Financial Serv-*
16 *ices of the House of Representatives and the*
17 *Committee on Banking, Housing, and*
18 *Urban Affairs of the Senate containing a*
19 *report on the progress of the Board of Gov-*
20 *ernors in implementing the remediation*
21 *plan required by subparagraph (C).*

22 “(F) *CONFIDENTIAL REPORT INFORMA-*
23 *TION.—Any report required under this para-*
24 *graph may contain a confidential annex con-*

1 *taining information that, if made public,*
 2 *could—*

3 *“(i) impact monetary policy, financial*
 4 *stability, or cybersecurity; or*

5 *“(ii) significantly endanger the safety*
 6 *and soundness of any financial institution.*

7 *“(G) REPEAL.—This paragraph shall be re-*
 8 *pealed on the date on which the Board of Gov-*
 9 *ernors notifies the Congress and publishes on a*
 10 *public website of the Board of Governors that the*
 11 *remediation plan required under subparagraph*
 12 *(C) has been fully implemented.”.*

13 **SEC. 502. KEEPING DEPOSITS LOCAL.**

14 *(a) AMOUNT OF RECIPROCAL DEPOSITS THAT ARE*
 15 *NOT CONSIDERED TO BE FUNDS OBTAINED BY OR*
 16 *THROUGH A DEPOSIT BROKER.—Section 29(i) of the Fed-*
 17 *eral Deposit Insurance Act (12 U.S.C. 1831f(i)) is amended*
 18 *by striking paragraph (1) and inserting the following:*

19 *“(1) IN GENERAL.—The sum of the following*
 20 *amounts of reciprocal deposits of an agent institution*
 21 *shall not be considered to be funds obtained, directly*
 22 *or indirectly, by or through a deposit broker:*

23 *“(A) An amount equal to 50 percent of the*
 24 *portion of the total liabilities of the agent insti-*

1 *tution that is less than or equal to*
 2 *\$1,000,000,000.*

3 *“(B) An amount equal to 40 percent of the*
 4 *portion, if any, of the total liabilities of the*
 5 *agent institution that is greater than*
 6 *\$1,000,000,000, but less than or equal to*
 7 *\$10,000,000,000.*

8 *“(C) An amount equal to 30 percent of the*
 9 *portion, if any, of the total liabilities of the*
 10 *agent institution that is greater than*
 11 *\$10,000,000,000, but less than or equal to*
 12 *\$250,000,000,000.”.*

13 *(b) DEFINITION OF AGENT INSTITUTION.—Section*
 14 *29(i) of the Federal Deposit Insurance Act (12 U.S.C.*
 15 *1831f(i)) is amended—*

16 *(1) in paragraph (2)(A)—*

17 *(A) in clause (i), by striking subclause (I)*
 18 *and inserting the following: “(I) when most re-*
 19 *cently examined under section 10(d) was as-*
 20 *signed a CAMELS rating of 1, 2, or 3 under the*
 21 *Uniform Financial Institutions Rating System*
 22 *(or an equivalent rating under a comparable*
 23 *rating system); and”;*

24 *(B) by redesignating clauses (ii) and (iii)*
 25 *as clauses (iii) and (iv), respectively; and*

1 (C) by inserting after clause (i) the fol-
 2 lowing:

3 “(ii) has not yet been examined under
 4 section 10(d) and the deposits of which first
 5 became insured under this Act during the
 6 current calendar year or during the imme-
 7 diately preceding calendar year;”; and

8 (2) by adding at the end the following:

9 “(3) *RESERVATION OF AUTHORITY.*—If an in-
 10 sured depository institution ceases to be an agent in-
 11 stitution because it no longer satisfies any of the cri-
 12 teria in paragraph (2)(A), the Corporation may, on
 13 a case-by-case basis and upon application, provide a
 14 waiver to permit the institution to continue to con-
 15 sider some or all of the deposits previously subject to
 16 the exception under paragraph (1) as continuing to
 17 be subject to the exception under paragraph (1), for
 18 a specific or indefinite period of time, if the Corpora-
 19 tion determines that failure to grant such a waiver
 20 would negatively impact the safety and soundness of
 21 the insured depository institution.”.

22 (c) *RECIPROCAL DEPOSITS STUDY.*—

23 (1) *IN GENERAL.*—The Federal Deposit Insur-
 24 ance Corporation, in consultation with the Board of

1 *Governors of the Federal Reserve System, shall carry*
2 *out a study on reciprocal deposits.*

3 (2) *CONTENTS.—The study required under para-*
4 *graph (1) shall include—*

5 (A) *an analysis of how reciprocal deposits*
6 *have performed since 2018, which shall in-*
7 *clude—*

8 (i) *the use of quantitative and quanti-*
9 *tative data;*

10 (ii) *a breakdown of the usage of recip-*
11 *rocal deposits by size of insured depository*
12 *institution;*

13 (iii) *the usage of reciprocal deposits*
14 *during periods of stress; and*

15 (iv) *an analysis, to the extent prac-*
16 *ticable, of end-user depositors, such as mu-*
17 *nicipalities, businesses, and non-profit orga-*
18 *nizations, that drive demand for reciprocal*
19 *products;*

20 (B) *an analysis, to the extent practicable, of*
21 *how reciprocal deposits compare to other deposit*
22 *arrangements; and*

23 (C) *an analysis of the benefits and potential*
24 *risks of reciprocal deposits.*

1 (3) *REPORT*.—Not later than 6 months after the
 2 date of enactment of this Act, the Federal Deposit In-
 3 surance Corporation shall issue a report to the Com-
 4 mittee on Financial Services of the House of Rep-
 5 resentatives and the Committee on Banking, Housing,
 6 and Urban Affairs of the Senate containing all find-
 7 ings and determinations made in carrying out the
 8 study required under paragraph (1).

9 **SEC. 503. COMMUNITY BANK DEPOSIT ACCESS.**

10 (a) *IN GENERAL*.—Section 29 of the Federal Deposit
 11 Insurance Act (12 U.S.C. 1831f) is amended by adding at
 12 the end the following:

13 “(j) *LIMITED EXCEPTION FOR CUSTODIAL DEPOS-*
 14 *ITS*.—

15 “(1) *IN GENERAL*.—Custodial deposits of an eli-
 16 gible institution shall not be considered to be funds
 17 obtained, directly or indirectly, by or through a de-
 18 posit broker to the extent that the total amount of
 19 such custodial deposits does not exceed an amount
 20 equal to 20 percent of the total liabilities of the eligi-
 21 ble institution.

22 “(2) *RESERVATION OF AUTHORITY*.—If an in-
 23 sured depository institution ceases to be an eligible
 24 institution because it no longer satisfies any of the
 25 criteria in paragraph (3)(B), the Corporation may,

1 on a case-by-case basis and upon application, provide
2 a waiver to permit the institution to continue to be
3 treated as an eligible institution for purposes of para-
4 graph (1), for a specific or indefinite period of time,
5 if the Corporation determines that failure to grant
6 such a waiver would negatively impact the safety and
7 soundness of the insured depository institution.

8 “(3) *DEFINITIONS.*—In this subsection:

9 “(A) *CUSTODIAL DEPOSIT.*—The term ‘cus-
10 todial deposit’ means a deposit that is not depos-
11 ited at an insured depository institution in re-
12 turn for fees paid by the insured depository in-
13 stitution pursuant to an agreement with a third
14 party and that would otherwise be considered to
15 be obtained, directly or indirectly, by or through
16 a deposit broker, if the deposit is deposited at 1
17 or more insured depository institutions, for the
18 purpose of providing or maintaining deposit in-
19 surance for the benefit of a third party, by or
20 through any of the following, each acting in a
21 formal custodial or fiduciary capacity for the
22 benefit of a third party:

23 “(i) *An insured depository institution*
24 serving as agent, trustee, or custodian.

1 “(ii) *A trust entity controlled by an*
2 *insured depository institution serving as*
3 *agent, trustee, or custodian.*

4 “(iii) *A State-chartered trust company*
5 *serving as agent, trustee, or custodian.*

6 “(iv) *A plan administrator or invest-*
7 *ment advisor, acting in a formal custodial*
8 *or fiduciary capacity for the benefit of a*
9 *plan.*

10 “(B) *ELIGIBLE INSTITUTION.*—*The term ‘el-*
11 *igible institution’ means an insured depository*
12 *institution that accepts custodial deposits, if the*
13 *insured depository institution has less than*
14 *\$10,000,000,000 in total assets as reported on the*
15 *consolidated report of condition and income as*
16 *reported quarterly to the appropriate Federal*
17 *banking agency and—*

18 “(i)(I) *when most recently examined*
19 *under section 10(d) was assigned a com-*
20 *posite rating of 1, 2, or 3 under the Uni-*
21 *form Financial Institutions Rating System*
22 *(or an equivalent rating under a com-*
23 *parable rating system); and*

24 “(II) *is well capitalized;*

1 “(ii) *has not yet been examined under*
 2 *section 10(d) and the deposits of which first*
 3 *became insured under this Act during the*
 4 *current calendar year or during the imme-*
 5 *diately preceding calendar year; or*

6 “(iii) *has obtained a waiver pursuant*
 7 *to subsection (c).*

8 “(C) *PLAN.*—*The term ‘plan’ has the mean-*
 9 *ing given the term in section 3 of the Employee*
 10 *Retirement Income Security Act of 1974 (29*
 11 *U.S.C. 1002).*

12 “(D) *PLAN ADMINISTRATOR.*—*The term*
 13 *‘plan administrator’ has the meaning given the*
 14 *term ‘administrator’ in section 3 of the Em-*
 15 *ployee Retirement Income Security Act of 1974*
 16 *(29 U.S.C. 1002).*

17 “(E) *WELL CAPITALIZED.*—*The term ‘well*
 18 *capitalized’ has the meaning given the term in*
 19 *section 38(b).’.*

20 “(b) *INTEREST RATE RESTRICTION.*—*Section 29 of the*
 21 *Federal Deposit Insurance Act (12 U.S.C. 1831f), as*
 22 *amended by subsection (a), is further amended by adding*
 23 *at the end the following:*

24 “(k) *RESTRICTION ON INTEREST RATE PAID ON CER-*
 25 *TAIN CUSTODIAL DEPOSITS.*—

1 “(1) *DEFINITIONS.*—*In this subsection—*

2 “(A) *the terms ‘custodial deposit’, ‘eligible*
 3 *institution’, and ‘well capitalized’ have the*
 4 *meanings given those terms in subsection (j); and*

5 “(B) *the term ‘covered insured depository*
 6 *institution’ means an insured depository institu-*
 7 *tion that while acting as an eligible institution*
 8 *under subsection (j), accepts custodial deposits*
 9 *while not well capitalized.*

10 “(2) *PROHIBITION.*—*A covered insured depository*
 11 *institution may not pay a rate of interest on*
 12 *custodial deposits that are accepted while not well*
 13 *capitalized that, at the time the funds or custodial de-*
 14 *posits are accepted, significantly exceeds the limit set*
 15 *forth in paragraph (3).*

16 “(3) *LIMIT ON INTEREST RATES.*—*The limit on*
 17 *the rate of interest referred to in paragraph (2) shall*
 18 *be not greater than—*

19 “(A) *the rate paid on deposits of similar*
 20 *maturity in the normal market area of the cov-*
 21 *ered insured depository institution for deposits*
 22 *accepted in the normal market area of the cov-*
 23 *ered insured depository institution; or*

24 “(B) *the national rate paid on deposits of*
 25 *comparable maturity, as established by the Cor-*

1 poration, for deposits accepted outside the nor-
 2 mal market area of the covered insured deposi-
 3 tory institution.”.

4 **TITLE VI—PROMOTING BANK**
 5 **COMPETITION AND MERGER**
 6 **CLARITY**

7 **SEC. 601. BANK COMPETITION MODERNIZATION.**

8 (a) *IN GENERAL.*—Section 18(c) of the Federal Deposit
 9 Insurance Act (12 U.S.C. 1828(c)), as amended by section
 10 604(c), is further amended—

11 (1) *in paragraph (4)(C)—*

12 (A) *in clause (i), by striking “or” at the*
 13 *end;*

14 (B) *in clause (ii), by striking the period at*
 15 *the end and inserting “; or”; and*

16 (C) *by adding at the end the following:*

17 “(iii) *the proposed merger transaction*
 18 *would result in an entity with less than*
 19 *\$10,000,000,000 in assets.”; and*

20 (2) *by adding at the end the following:*

21 “(16) *FOR MERGER TRANSACTIONS RESULTING*
 22 *IN INSTITUTIONS WITH LESS THAN \$10,000,000,000 IN*
 23 *ASSETS.—*

24 “(A) *IN GENERAL.*—Notwithstanding para-
 25 graph (5), *if a proposed merger transaction*

1 *would result in an institution with less than*
2 *\$10,000,000,000 in assets, then the responsible*
3 *agency shall not consider whether such merger*
4 *transaction would—*

5 *“(i) result in a monopoly, or would be*
6 *in furtherance of any combination or con-*
7 *spiracy to monopolize or to attempt to mo-*
8 *nopolize the business of banking in any*
9 *part of the United States; and*

10 *“(ii) have the effect in any section of*
11 *the country of substantially lessening com-*
12 *petition, tending to create a monopoly, or*
13 *in any other manner restraining trade.*

14 *“(B) THRESHOLD ADJUSTMENT.—*

15 *“(i) IN GENERAL.—At the end of each*
16 *year for which the nominal gross domestic*
17 *product of the United States increases (a*
18 *‘covered year’), the Corporation shall adjust*
19 *the dollar figures described in subparagraph*
20 *(A) and paragraph (4)(C)(iii) by a percent-*
21 *age equal to the percentage increase (if any)*
22 *between—*

23 *“(I) the nominal gross domestic*
24 *product of the United States for the*
25 *year, during the preceding 5 years,*

1 *with respect to which the nominal*
 2 *gross domestic product of the United*
 3 *States was the highest; and*

4 “(II) *the nominal gross domestic*
 5 *product of the United States for the*
 6 *covered year.*

7 “(ii) *DETERMINATION OF GDP.—In*
 8 *this paragraph, the Corporation shall use*
 9 *nominal gross domestic product statistics*
 10 *determined by the Bureau of Economic*
 11 *Analysis.”.*

12 (b) *FOR BANK HOLDING COMPANIES.—Section 3(c) of*
 13 *the Bank Holding Company Act of 1956 (12 U.S.C.*
 14 *1842(c)) is amended by adding at the end the following:*

15 “(8) *FOR PROPOSED TRANSACTIONS RESULTING*
 16 *IN COMPANIES WITH LESS THAN \$10,000,000,000 IN AS-*
 17 *SETS.—*

18 “(A) *IN GENERAL.—Notwithstanding para-*
 19 *graph (1), if a proposed acquisition, merger, or*
 20 *consolidation under this section would result in*
 21 *a company with less than \$10,000,000,000 in as-*
 22 *sets, then the Board shall not consider whether*
 23 *such acquisition, merger, or consolidation*
 24 *would—*

1 “(i) result in a monopoly, or would be
2 in furtherance of any combination or con-
3 spiracy to monopolize or to attempt to mo-
4 nopolize the business of banking in any
5 part of the United States; and

6 “(ii) have the effect in any section of
7 the country of substantially lessening com-
8 petition, tending to create a monopoly, or
9 in any other manner restraining trade.

10 “(B) THRESHOLD ADJUSTMENT.—

11 “(i) IN GENERAL.—At the end of each
12 year for which the nominal gross domestic
13 product of the United States increases (a
14 ‘covered year’), the Board shall adjust the
15 dollar figure described in subparagraph (A)
16 by a percentage equal to the percentage in-
17 crease (if any) between—

18 “(I) the nominal gross domestic
19 product of the United States for the
20 year, during the preceding 5 years,
21 with respect to which the nominal
22 gross domestic product of the United
23 States was the highest; and

1 “(II) *the nominal gross domestic*
 2 *product of the United States for the*
 3 *covered year.*

4 “(ii) *DETERMINATION OF GDP.—In*
 5 *this paragraph, the Board shall use nomi-*
 6 *nal gross domestic product statistics deter-*
 7 *mined by the Bureau of Economic Anal-*
 8 *ysis.”.*

9 (c) *FOR SAVINGS AND LOAN HOLDING COMPANIES.—*
 10 *Section 10(e) of the Home Owners’ Loan Act (12 U.S.C.*
 11 *1467a(e)), as amended by section 103(b), is further amend-*
 12 *ed by adding at the end the following:*

13 “(10) *FOR PROPOSED TRANSACTIONS RESULTING*
 14 *IN COMPANIES WITH LESS THAN \$10,000,000,000 IN AS-*
 15 *SETS.—*

16 “(A) *IN GENERAL.—Notwithstanding sub-*
 17 *paragraphs (A) and (B) of paragraph (2), if a*
 18 *proposed transaction under this section would*
 19 *result in a company with less than*
 20 *\$10,000,000,000 in assets, then the Board shall*
 21 *not consider whether the transaction would—*

22 “(i) *result in a monopoly, or would be*
 23 *in furtherance of any combination or con-*
 24 *spiracy to monopolize or to attempt to mo-*

1 *nopolize the savings and loan business in*
 2 *any part of the United States; and*

3 “(ii) *have the effect in any section of*
 4 *the country of substantially lessening com-*
 5 *petition, tending to create a monopoly, or*
 6 *in any other manner restraining trade.*

7 “(B) *THRESHOLD ADJUSTMENT.*—

8 “(i) *IN GENERAL.*—*At the end of each*
 9 *year for which the nominal gross domestic*
 10 *product of the United States increases (a*
 11 *‘covered year’), the Board shall adjust the*
 12 *dollar figure described in subparagraph (A)*
 13 *by a percentage equal to the percentage in-*
 14 *crease (if any) between—*

15 “(I) *the nominal gross domestic*
 16 *product of the United States for the*
 17 *year, during the preceding 5 years,*
 18 *with respect to which the nominal*
 19 *gross domestic product of the United*
 20 *States was the highest; and*

21 “(II) *the nominal gross domestic*
 22 *product of the United States for the*
 23 *covered year.*

24 “(ii) *DETERMINATION OF GDP.*—*In*
 25 *this paragraph, the Board shall use nomi-*

1 *nal gross domestic product statistics deter-*
 2 *mined by the Bureau of Economic Anal-*
 3 *ysis.”.*

4 **SEC. 602. MERGER AGREEMENT APPROVALS CLARITY AND**
 5 **PREDICTABILITY.**

6 (a) *STUDY.*—*The Comptroller General of the United*
 7 *States shall carry out a study on the use of commitments,*
 8 *conditions, and other aspects of merger review procedures*
 9 *by Federal depository institution regulatory agencies in*
 10 *connection with insured depository institution merger ap-*
 11 *plications. The study shall—*

12 (1) *include an evaluation of relevant quantifi-*
 13 *able metrics;*

14 (2) *review the extent to which the use of commit-*
 15 *ments and conditions has aligned with statutory re-*
 16 *quirements, including a review of whether the use of*
 17 *commitments and conditions has been influenced by*
 18 *extrastatutory issues or considerations;*

19 (3) *consider the benefits and risks of utilizing*
 20 *different merger review approaches and procedures in*
 21 *compliance with the law; and*

22 (4) *include an evaluation of the impact of such*
 23 *merger review procedures and resulting approved*
 24 *mergers on safety and soundness, financial stability,*
 25 *competition, and the availability of financial prod-*

1 *ucts and services offered by insured depository insti-*
 2 *tutions.*

3 *(b) REPORT.—Not later than 1 year after the date of*
 4 *enactment of this Act, the Comptroller General shall issue*
 5 *a report to the Committee on Financial Services of the*
 6 *House of Representatives and the Committee on Banking,*
 7 *Housing, and Urban Affairs of the Senate containing all*
 8 *findings and determinations made in carrying out the*
 9 *study required under subsection (a).*

10 *(c) DEFINITIONS.—In this section:*

11 *(1) APPLICATION.—The term “application”*
 12 *means an application, notice, or other similar request*
 13 *for permission submitted to a Federal depository in-*
 14 *stitution regulatory agency.*

15 *(2) FEDERAL DEPOSITORY INSTITUTION REGU-*
 16 *LATORY AGENCY.—The term “Federal depository in-*
 17 *stitution regulatory agency” means the Board of Gov-*
 18 *ernors of the Federal Reserve System, the Comptroller*
 19 *of the Currency, the Federal Deposit Insurance Cor-*
 20 *poration, and the National Credit Union Administra-*
 21 *tion Board.*

22 *(3) INSURED DEPOSITORY INSTITUTION.—The*
 23 *term “insured depository institution”—*

1 (A) has the meaning given that term in sec-
 2 tion 3 of the Federal Deposit Insurance Act (12
 3 U.S.C. 1813); and

4 (B) means an insured credit union, as de-
 5 fined in section 101 of the Federal Credit Union
 6 Act (12 U.S.C. 1752).

7 (4) *INSURED DEPOSITORY INSTITUTION MERGER*
 8 *APPLICATION.*—The term “insured depository institu-
 9 tion merger application” means an application with
 10 respect to the acquisition of an insured depository in-
 11 stitution, its equity interests, its assets, or its deposits
 12 under—

13 (A) section 10(e) of the Home Owners’ Loan
 14 Act (12 U.S.C. 1467a(e));

15 (B) section 205(b) of the Federal Credit
 16 Union Act (12 U.S.C. 1785(b));

17 (C) section 7(j) of the Federal Deposit In-
 18 surance Act (12 U.S.C. 1817(j));

19 (D) section 18(c)(2) of the Federal Deposit
 20 Insurance Act (12 U.S.C. 1828(c)(2));

21 (E) section 3 of the Bank Holding Com-
 22 pany Act of 1956 (12 U.S.C. 1842); and

23 (F) section 4 of the Bank Holding Company
 24 Act of 1956 (12 U.S.C. 1843).

1 **SEC. 603. MERGER PROCESS REVIEW.**

2 (a) *REVIEW.*—Not later than 1 year after the date of
3 enactment of this Act, and every 3 years thereafter, the In-
4 spector General of each Federal depository institution regu-
5 latory agency shall review the Federal depository institu-
6 tion regulatory agency’s merger review procedures, includ-
7 ing record of timeliness and efficiency in reviewing and act-
8 ing upon insured depository institution merger applica-
9 tions. The review shall—

10 (1) include an evaluation of relevant quantifi-
11 able metrics, including mean and median application
12 processing times;

13 (2) identify sources of delay that may hinder the
14 timely consummation of proposals that meet the rel-
15 evant statutory factors;

16 (3) consider the benefits and risks of utilizing
17 different merger review approaches and procedures in
18 compliance with the law;

19 (4) include an evaluation of the impact of such
20 merger review procedures and resulting approved
21 mergers on safety and soundness, financial stability,
22 competition, and the availability of financial prod-
23 ucts and services offered by insured depository insti-
24 tutions; and

25 (5) include specific recommendations to improve
26 the merger review process, including timeliness and

1 *efficiency of application processing, consistent with*
2 *the Federal depository institution regulatory agency’s*
3 *statutory responsibilities.*

4 **(b) REPORT.**—*Each Inspector General described under*
5 *subsection (a) shall, at the conclusion of each review re-*
6 *quired under subsection (a), issue a report to the Committee*
7 *on Financial Services of the House of Representatives and*
8 *the Committee on Banking, Housing, and Urban Affairs*
9 *of the Senate containing all findings and determinations*
10 *made in carrying out the review, and publish such report*
11 *online.*

12 **(c) AGENCY RESPONSE.**—*In response to each report*
13 *issued under subsection (a), the appropriate Federal depository*
14 *institution regulatory agency shall submit to the Com-*
15 *mittee on Financial Services of the House of Representa-*
16 *tives and the Committee on Banking, Housing, and Urban*
17 *Affairs of the Senate and publish online a written response,*
18 *including a plan to implement the recommendations in the*
19 *report, to the extent such implementation is appropriate.*

20 **(d) DEFINITIONS.**—*In this section:*

21 **(1) APPLICATION.**—*The term “application”*
22 *means an application, notice, or other similar request*
23 *for permission submitted to a Federal depository in-*
24 *stitution regulatory agency.*

1 (2) *FEDERAL DEPOSITORY INSTITUTION REGU-*
2 *LATORY AGENCY.*—*The term “Federal depository in-*
3 *stitution regulatory agency” means the Board of Gov-*
4 *ernors of the Federal Reserve System, the Comptroller*
5 *of the Currency, the Federal Deposit Insurance Cor-*
6 *poration, and the National Credit Union Administra-*
7 *tion Board.*

8 (3) *INSURED DEPOSITORY INSTITUTION.*—*The*
9 *term “insured depository institution”—*

10 *(A) has the meaning given that term in sec-*
11 *tion 3 of the Federal Deposit Insurance Act (12*
12 *U.S.C. 1813); and*

13 *(B) means an insured credit union, as de-*
14 *finied in section 101 of the Federal Credit Union*
15 *Act (12 U.S.C. 1752).*

16 (4) *INSURED DEPOSITORY INSTITUTION MERGER*
17 *APPLICATION.*—*The term “insured depository institu-*
18 *tion merger application” means an application with*
19 *respect to the acquisition of an insured depository in-*
20 *stitution, its equity interests, its assets, or its deposits*
21 *under—*

22 *(A) section 10(e) of the Home Owners’ Loan*
23 *Act (12 U.S.C. 1467a(e));*

24 *(B) section 205(b) of the Federal Credit*
25 *Union Act (12 U.S.C. 1785(b));*

1 (C) section 7(j) of the Federal Deposit In-
 2 surance Act (12 U.S.C. 1817(j));

3 (D) section 18(c)(2) of the Federal Deposit
 4 Insurance Act (12 U.S.C. 1828(c)(2));

5 (E) section 3 of the Bank Holding Com-
 6 pany Act of 1956 (12 U.S.C. 1842); and

7 (F) section 4 of the Bank Holding Company
 8 Act of 1956 (12 U.S.C. 1843).

9 **SEC. 604. BANK FAILURE PREVENTION.**

10 (a) *BANK HOLDING COMPANIES.*—Section 3(b)(1) of
 11 *the Bank Holding Company Act of 1956 (12 U.S.C.*
 12 *1842(b)(1)) is amended—*

13 (1) *by striking “Upon receiving” and inserting*
 14 *the following:*

15 “(A) *IN GENERAL.*—Upon receiving”;

16 (2) *by striking “required” and inserting “ac-*
 17 *quired”;*

18 (3) *by striking “In the event of the failure of the*
 19 *Board to act on any application for approval under*
 20 *this section within the ninety-one-day period which*
 21 *begins on the date of submission to the Board of the*
 22 *complete record on that application, the application*
 23 *shall be deemed to have been granted.”; and*

24 (4) *by adding at the end the following:*

25 “(B) *COMPLETE RECORD ON AN APPLICATION.*—

1 “(i) *NOTICE TO APPLICANT.*—Not later than
2 30 days after the date on which the Board re-
3 ceives an application for approval under this
4 section, the Board shall transmit to the appli-
5 cant a letter that either—

6 “(I) confirms the record on the appli-
7 cation is complete; or

8 “(II) details all additional information
9 that is required for the record on that appli-
10 cation to be complete.

11 “(ii) *EXTENSION OF NOTICE.*—Notwith-
12 standing clause (i), the Board may, if an appli-
13 cation is complex, extend the 30-day period de-
14 scribed under clause (i) for an additional 30
15 days.

16 “(iii) *RECEIPT OF RESPONSE; DEEMING OF*
17 *COMPLETE RECORD.*—Upon receipt of a response
18 from an applicant to a notice requesting addi-
19 tional information described under clause (i)(II),
20 the record on the application shall be deemed
21 complete unless the Board—

22 “(I) determines that the applicant’s re-
23 sponse was materially deficient; and

24 “(II) not later than 30 days after the
25 date on which the Board received the re-

1 sponse, provides the applicant a detailed
2 notice describing the deficiencies.

3 “(iv) *TREATMENT OF THIRD-PARTY INFOR-*
4 *MATION.—In determining whether the record on*
5 *an application is complete, the Board may take*
6 *into account only information provided by the*
7 *applicant, and may not base the determination*
8 *of completeness on any information (including*
9 *reports, views, or recommendations) provided by*
10 *third parties.*

11 “(C) *DEADLINE FOR DETERMINATION.—*

12 “(i) *IN GENERAL.—Notwithstanding sub-*
13 *paragraphs (A) and (B), the Board shall grant*
14 *or deny an application submitted under this sec-*
15 *tion not later than 120 days after the date on*
16 *which the application was initially submitted to*
17 *the Board, regardless of whether the record on*
18 *such initial application was complete.*

19 “(ii) *FAILURE TO MAKE A DETERMINA-*
20 *TION.—If the Board does not grant or deny an*
21 *application within the time period described*
22 *under clause (i), such application shall be*
23 *deemed to have been granted.*

24 “(iii) *TOLLING OF PERIOD.—The Board*
25 *may at any time extend the deadline described*

1 under clause (i) at the request of the applicant,
 2 but may not extend the deadline more than 30
 3 days past the deadline described under clause
 4 (i).”.

5 (b) SAVINGS AND LOAN HOLDING COMPANIES.—Sec-
 6 tion 10(e) of the Home Owners’ Loan Act (12 U.S.C.
 7 1467a(e)) is amended—

8 (1) in paragraph (2), by striking “, and shall
 9 render a decision within 90 days after submission to
 10 the Board of the complete record on the application”;

11 (2) by redesignating paragraph (7) as para-
 12 graph (9); and

13 (3) by inserting after paragraph (6) the fol-
 14 lowing:

15 “(7) COMPLETE RECORD ON AN APPLICATION.—

16 “(A) NOTICE TO APPLICANT.—Not later
 17 than 30 days after the date on which the Board
 18 receives an application for approval under this
 19 subsection, the Board shall transmit to the appli-
 20 cant a letter that either—

21 “(i) confirms the record on the appli-
 22 cation is complete; or

23 “(ii) details all additional information
 24 that is required for the record on that appli-
 25 cation to be complete.

1 “(B) *EXTENSION OF NOTICE.*—Notwith-
2 standing subparagraph (A), the Board may, if
3 an application is complex, extend the 30-day pe-
4 riod described under subparagraph (A) for an
5 additional 30 days.

6 “(C) *RECEIPT OF RESPONSE; DEEMING OF*
7 *COMPLETE RECORD.*—Upon receipt of a response
8 from an applicant to a notice requesting addi-
9 tional information described under subpara-
10 graph (A)(ii), the record on the application shall
11 be deemed complete unless the Board—

12 “(i) determines that the applicant’s re-
13 sponse was materially deficient; and

14 “(ii) not later than 30 days after the
15 date on which the Board received the re-
16 sponse, provides the applicant a detailed
17 notice describing the deficiencies.

18 “(D) *TREATMENT OF THIRD-PARTY INFOR-*
19 *MATION.*—In determining whether the record on
20 an application is complete, the Board may take
21 into account only information provided by the
22 applicant, and may not base the determination
23 of completeness on any information (including
24 reports, views, or recommendations) provided by
25 third parties.

1 “(8) *DEADLINE FOR DETERMINATION.*—

2 “(A) *IN GENERAL.*—*Notwithstanding any*
 3 *other provision of this subsection, the Board shall*
 4 *grant or deny an application submitted under*
 5 *this subsection not later than 120 days after the*
 6 *date on which the application was initially sub-*
 7 *mitted to the Board, regardless of whether the*
 8 *record on such initial application was complete.*

9 “(B) *FAILURE TO MAKE A DETERMINA-*
 10 *TION.*—*If the Board does not grant or deny an*
 11 *application within the time period described*
 12 *under subparagraph (A), such application shall*
 13 *be deemed to have been granted.*

14 “(C) *TOLLING OF PERIOD.*—*The Board may*
 15 *at any time extend the deadline described under*
 16 *subparagraph (A) at the request of the applicant,*
 17 *but may not extend the deadline more than 30*
 18 *days past the deadline described under subpara-*
 19 *graph (A).”.*

20 (c) *INSURED DEPOSITORY INSTITUTIONS.*—*Section*
 21 *18(c) of the Federal Deposit Insurance Act (12 U.S.C.*
 22 *1828(c)) is amended by adding at the end the following:*

23 “(14) *COMPLETE RECORD ON AN APPLICATION.*—

24 “(A) *NOTICE TO APPLICANT.*—*Not later*
 25 *than 30 days after the date on which the respon-*

1 *sible agency receives a merger application for*
2 *approval under this subsection, the responsible*
3 *agency shall transmit to the applicant a letter*
4 *that either—*

5 *“(i) confirms the record on the appli-*
6 *cation is complete; or*

7 *“(ii) details all additional information*
8 *that is required for the record on that appli-*
9 *cation to be complete.*

10 *“(B) EXTENSION OF NOTICE.—Notwith-*
11 *standing subparagraph (A), the responsible agen-*
12 *cy may, if an application is unusually complex,*
13 *extend the 30-day period described under sub-*
14 *paragraph (A) for an additional 30 days.*

15 *“(C) RECEIPT OF RESPONSE; DEEMING OF*
16 *COMPLETE RECORD.—Upon receipt of a response*
17 *from an applicant to a notice requesting addi-*
18 *tional information described under subpara-*
19 *graph (A)(ii), the record on the application shall*
20 *be deemed complete unless the responsible agen-*
21 *cy—*

22 *“(i) determines that the applicant’s re-*
23 *sponse was materially deficient; and*

24 *“(ii) not later than 30 days after the*
25 *date on which the responsible agency re-*

1 ceived the response, provides the applicant a
2 detailed notice describing the deficiencies.

3 “(D) *TREATMENT OF THIRD-PARTY INFOR-*
4 *MATION.—In determining whether the record on*
5 *an application is complete, the responsible agen-*
6 *cy may take into account only information pro-*
7 *vided by the applicant, and may not base the de-*
8 *termination of completeness on any information*
9 *(including reports, views, or recommendations)*
10 *provided by third parties.*

11 “(15) *DEADLINE FOR DETERMINATION.—*

12 “(A) *IN GENERAL.—Notwithstanding any*
13 *other provision of this subsection, the responsible*
14 *agency shall grant or deny a merger application*
15 *submitted under this subsection not later than*
16 *120 days after the date on which the application*
17 *was initially submitted to the responsible agency,*
18 *regardless of whether the record on such initial*
19 *application was complete.*

20 “(B) *FAILURE TO MAKE A DETERMINA-*
21 *TION.—If the responsible agency does not grant*
22 *or deny an application within the time period*
23 *described under subparagraph (A), such applica-*
24 *tion shall be deemed to have been granted.*

1 “(C) *TOLLING OF PERIOD.*—*The responsible*
 2 *agency may at any time extend the deadline de-*
 3 *scribed under subparagraph (A) at the request of*
 4 *the applicant, but may not extend the deadline*
 5 *more than 30 days past the deadline described*
 6 *under subparagraph (A).”.*

7 ***TITLE VII—STRENGTHENING***
 8 ***TRANSPARENCY AND IN-***
 9 ***VOLVEMENT IN BANK RESO-***
 10 ***LUTIONS***

11 ***SEC. 701. LEAST COST EXCEPTION.***

12 (a) *IN GENERAL.*—*Section 13(c)(4) of the Federal De-*
 13 *posit Insurance Act (12 U.S.C. 1823(c)(4)) is amended—*

14 (1) *in subparagraph (A)(ii), by inserting “except*
 15 *as provided in subparagraph (I),” before “the total*
 16 *amount”;*

17 (2) *in subparagraph (E)(i), by inserting “and*
 18 *except as provided in subparagraph (I),” after “ap-*
 19 *propriate,”; and*

20 (3) *by adding at the end the following:*

21 “(I) *LEAST COST RESOLUTION EXCEP-*
 22 *TION.*—

23 “(i) *IN GENERAL.*—*With respect to an*
 24 *exercise of authority by the Corporation de-*
 25 *scribed in subparagraph (A), the Corpora-*

tion may, at the discretion of the Corporation, select an alternative method of exercising such authority that is not the least costly to the Deposit Insurance Fund, if—

“(I) the Corporation determines that the selected alternative complies with the requirements of clause (iii); and

“(II) the Corporation and the Board of Governors of the Federal Reserve System, after consultation with the Secretary of the Treasury, determine that the potential additional risks to the Deposit Insurance Fund of the selected alternative are outweighed by the reasonably expected benefits of limiting further concentration of the United States banking system in global systemically important banking organizations.

“(ii) *MAXIMUM COST TO THE DEPOSIT INSURANCE FUND.*—Not later than 1 year after the date of enactment of this subparagraph, the Corporation, by rule, shall establish criteria for determining on a case-by-

1 *case basis the maximum allowable cost*
2 *against the net worth of the Deposit Insur-*
3 *ance Fund that may be utilized to account*
4 *for any determination under clause (i).*

5 “(iii) *REQUIREMENTS DESCRIBED.—*
6 *The requirements for the selected alternative*
7 *described in clause (i) are as follows:*

8 “(I) *The selected alternative is*
9 *least costly to the Deposit Insurance*
10 *Fund of all alternatives that do not in-*
11 *volve a transaction with a global sys-*
12 *temically important banking organiza-*
13 *tion and that do not exceed the cost of*
14 *liquidating the insured depository in-*
15 *stitution.*

16 “(II) *The difference between the*
17 *cost of the selected alternative and the*
18 *cost of a covered alternative is less*
19 *than or equal to the maximum cost to*
20 *the Deposit Insurance Fund specified*
21 *pursuant to the rule adopted under*
22 *clause (ii).*

23 “(III) *In the case of a selected al-*
24 *ternative that involves another person*
25 *purchasing assets of the insured deposi-*

1 *tory institution or assuming deposit li-*
2 *abilities of the insured depository in-*
3 *stitution, such person agrees to pay an*
4 *assessment to the Corporation com-*
5 *prised of payments—*

6 *“(aa) made over a period to*
7 *be determined by the Corporation,*
8 *but which may not be less than 5*
9 *years; and*

10 *“(bb) in an amount that*
11 *takes into account, on a case-by-*
12 *case basis, criteria the Corpora-*
13 *tion, by rule, shall establish, in-*
14 *cluding a realistic discount rate,*
15 *the aggregate amount equal to the*
16 *difference calculated in subclause*
17 *(II), and any bid inconsistent*
18 *with the purposes of this Act, with*
19 *such rule to be established by the*
20 *Corporation not later than 1 year*
21 *after the date of enactment of this*
22 *subparagraph.*

23 *“(iv) REPORT TO CONGRESS.—Not*
24 *later than 30 days after selecting an alter-*
25 *native described in clause (i), the Corpora-*

tion shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing an analysis of the economic difference between the cost to the Deposit Insurance Fund of the selected alternative and the cost to the Deposit Insurance Fund of the least costly alternative that would have been selected absent the application of this subparagraph.

“(v) *COST DETERMINATIONS.*—All cost determinations required under this subparagraph shall be made in accordance with subparagraphs (B) and (C).

“(vi) *DEFINITIONS.*—In this subparagraph:

“(I) *COVERED ALTERNATIVE.*—

The term ‘covered alternative’ means a method of exercising authority described in subparagraph (A) that is the least costly to the Deposit Insurance Fund of all such methods that involve a sale of all or substantially all assets of the insured depository institution to,

1 *and assumption of all or substantially*
 2 *all deposit liabilities of the insured de-*
 3 *pository institution by, a global sys-*
 4 *temically important banking organiza-*
 5 *tion.*

6 “(II) GLOBAL SYSTEMICALLY IM-
 7 PORTANT BANKING ORGANIZATION.—
 8 *The term ‘global systemically impor-*
 9 *tant banking organization’ means a*
 10 *global systemically important BHC (as*
 11 *such term is defined in section 217.402*
 12 *of title 12, Code of Federal Regula-*
 13 *tions, or any successor thereto) and*
 14 *any affiliate thereof.”.*

15 (b) *RULE OF CONSTRUCTION.*—Section 13(c)(4)(H) of
 16 the Federal Deposit Insurance Act (12 U.S.C.
 17 1823(c)(4)(H)) does not apply to the amendments made by
 18 subsection (a).

19 **SEC. 702. ENHANCING BANK RESOLUTION PARTICIPATION.**

20 (a) *STUDY.*—The Comptroller of the Currency, the
 21 Federal Deposit Insurance Corporation, and the Board of
 22 the Governors of the Federal Reserve System shall, jointly,
 23 carry out a study of—

24 (1) *the use by the Comptroller of the Currency*
 25 *of shelf charters, including all conditional or prelimi-*

1 *nary shelf charter approvals granted between Janu-*
2 *ary 1, 2008, and the date of enactment of this Act;*

3 *(2) the use by the Federal Deposit Insurance*
4 *Corporation of the modified bidder qualification proc-*
5 *ess;*

6 *(3) the application of the Bank Holding Com-*
7 *pany Act of 1956 (12 U.S.C. 1841 et seq.) and section*
8 *10 of the Home Owners' Loan Act (12 U.S.C. 1467a)*
9 *to shelf charter proposals;*

10 *(4) whether shelf charters and modified bidder*
11 *qualification processes were considered or used in con-*
12 *nection with the receivership of any insured deposi-*
13 *tory institution for which the Federal Deposit Insur-*
14 *ance Corporation was appointed receiver in 2023;*

15 *(5) with respect to such receiverships, the extent*
16 *to which greater use of shelf charters and modified*
17 *bidder qualification processes could have—*

18 *(A) expanded the pool of participants in the*
19 *acquisition of the assets or liabilities of such*
20 *failed insured depository institutions;*

21 *(B) resulted in greater competition and di-*
22 *versity in market outcomes;*

23 *(C) protected the Deposit Insurance Fund;*

24 *or*

1 (D) *strengthened financial stability and re-*
2 *duced the need for any emergency determination*
3 *by the Secretary of the Treasury under section*
4 *13(c)(4)(G) of the Federal Deposit Insurance Act*
5 *(12 U.S.C. 1823(c)(4)(G)) with respect to any*
6 *such receivership;*

7 (6) *the impact of the use of shelf charters and*
8 *modified bidder qualification processes since January*
9 *1, 2008, including on financial stability, the safety*
10 *and soundness of affected insured depository institu-*
11 *tions, and the availability of financial products and*
12 *services provided to consumers by such institutions;*
13 *and*

14 (7) *any benefits and risks of private equity own-*
15 *ership of banks through the use of shelf charters and*
16 *modified bidder qualification processes.*

17 (b) *REPORT.—Not later than 1 year after the date of*
18 *enactment of this Act, the Comptroller of the Currency, the*
19 *Federal Deposit Insurance Corporation, and the Board of*
20 *the Governors of the Federal Reserve System shall, jointly,*
21 *submit a report to the Committee on Financial Services of*
22 *the House of Representatives and the Committee on Bank-*
23 *ing, Housing, and Urban Affairs of the Senate con-*
24 *taining—*

1 (1) *all findings and determinations made in car-*
 2 *rying out the study required under subsection (a);*
 3 *and*

4 (2) *an identification of statutory or regulatory*
 5 *barriers to the use and effectiveness of shelf charters*
 6 *and modified bidder qualification processes in the res-*
 7 *olution of failed insured depository institutions, in-*
 8 *cluding recommendations for legislative and regu-*
 9 *latory changes.*

10 (c) *DEFINITIONS.—In this section:*

11 (1) *INSURED DEPOSITORY INSTITUTION.—The*
 12 *term “insured depository institution” has the mean-*
 13 *ing given the term in section 3 of the Federal Deposit*
 14 *Insurance Act (12 U.S.C. 1813).*

15 (2) *MODIFIED BIDDER QUALIFICATION PROC-*
 16 *ESS.—The term “modified bidder qualification proc-*
 17 *ess” has the meaning given such term in the press re-*
 18 *lease of the Federal Deposit Insurance Corporation ti-*
 19 *tled “FDIC Expands Bidder List for Troubled Insti-*
 20 *tutions Plan Allows Those Without a Bank Charter to*
 21 *Participate in the Process” published November 26,*
 22 *2008.*

23 (3) *SHELF CHARTER.—The term “shelf charter”*
 24 *has the meaning given such term in the report issued*
 25 *by the Comptroller of the Currency titled “Activities*

1 *Permissible for National Banks and Federal Savings*
 2 *Associations, Cumulative” published October 2017.*

3 **SEC. 703. FAILING BANK ACQUISITION FAIRNESS.**

4 *(a) CONCENTRATION LIMIT EXCEPTIONS ONLY AVAIL-*
 5 *ABLE TO AVOID SERIOUS ADVERSE ECONOMIC OR FINAN-*
 6 *CIAL EFFECTS.—*

7 *(1) CONCENTRATION LIMITS WITH RESPECT TO*
 8 *DEPOSITS.—*

9 *(A) FEDERAL DEPOSIT INSURANCE ACT.—*

10 *The Federal Deposit Insurance Act (12 U.S.C.*
 11 *1811 et seq.) is amended—*

12 *(i) in section 18(c)(13)—*

13 *(I) by amending subparagraph*

14 *(B) to read as follows:*

15 *“(B) Subparagraph (A) shall not apply to an inter-*
 16 *state merger transaction if—*

17 *“(i) such interstate merger transaction involves 1*
 18 *or more insured depository institutions in default or*
 19 *in danger of default and the responsible agency deter-*
 20 *mines, based on clear and convincing evidence, that*
 21 *consummation of the proposed interstate merger*
 22 *transaction is necessary to prevent significant eco-*
 23 *nomie disruption or significant adverse effects on fi-*
 24 *nancial stability, and the Corporation has not re-*

1 *ceived any qualified bid from a company that is not*
 2 *subject to the prohibition in subparagraph (A); or*

3 *“(ii) the Corporation provides assistance under*
 4 *section 13 to facilitate such interstate merger trans-*
 5 *action and the responsible agency determines, based*
 6 *on clear and convincing evidence, that consummation*
 7 *of the proposed interstate merger transaction is nec-*
 8 *essary to prevent significant economic disruption or*
 9 *significant adverse effects on financial stability, and*
 10 *the Corporation has not received any qualified bid*
 11 *from a company that is not subject to the prohibition*
 12 *in subparagraph (A).”;* and

13 *(II) in subparagraph (C)—*

14 *(aa) in clause (i), by striking*
 15 *“and” at the end;*

16 *(bb) in clause (ii), by strik-*
 17 *ing the period at the end and in-*
 18 *serting a semicolon; and*

19 *(cc) by adding at the end the*
 20 *following:*

21 *“(iii) the term ‘qualified bid’ means an applica-*
 22 *tion, proposed application, or bid from a company*
 23 *where—*

24 *“(I) if applicable, the company, any affil-*
 25 *iate insured depository institution, and any af-*

1 *affiliate depository institution holding company*
2 *are well capitalized and well managed, as of the*
3 *date of the application, proposed application, or*
4 *bid; and*

5 *“(II) upon consummation of the trans-*
6 *action, the resulting insured depository institu-*
7 *tion is well capitalized;*

8 *“(iv) the term ‘well capitalized’—*

9 *“(I) with respect to an insured depository*
10 *institution, has the meaning given such term in*
11 *section 38(b) (12 U.S.C. 1831o(b));*

12 *“(II) with respect to a bank holding com-*
13 *pany, has the meaning given such term in sec-*
14 *tion 2(o)(1)(B) of the Bank Holding Company*
15 *Act of 1956 (12 U.S.C. 1841(o)(1)(B));*

16 *“(III) with respect to a savings and loan*
17 *holding company, has the meaning given such*
18 *term in section 238.2 of title 12, Code of Federal*
19 *Regulations; and*

20 *“(IV) with respect to a company that is not*
21 *an insured depository institution, bank holding*
22 *company, or savings and loan holding company,*
23 *means maintaining equity capital that the Cor-*
24 *poration determines is commensurate with the*

1 *capital maintained by an insured depository in-*
 2 *stitution that is well capitalized; and*

3 “(v) the term ‘well managed’ has the meaning
 4 *given such term in section 2(o)(9) of the Bank Hold-*
 5 *ing Company Act of 1956 (12 U.S.C. 1841(o)(9)).”;*
 6 *and*

7 *(ii) in section 44, by amending sub-*
 8 *section (e) to read as follows:*

9 “(e) *EXCEPTION FOR BANKS IN DEFAULT OR IN DAN-*
 10 *GER OF DEFAULT.—*

11 “(1) *GENERAL EXCEPTION.—The responsible*
 12 *agency may, without regard to paragraph (1), (3),*
 13 *(4), or (5) of subsection (b) or paragraph (2), (4), or*
 14 *(5) of subsection (a), approve an application under*
 15 *subsection (a)(1) for approval of a merger transaction*
 16 *if—*

17 “(A) *the merger transaction involves 1 or*
 18 *more banks in default or in danger of default; or*

19 “(B) *the Corporation provides assistance*
 20 *under section 13(c) to facilitate such merger*
 21 *transaction.*

22 “(2) *CONCENTRATION LIMIT EXCEPTION.—The*
 23 *responsible agency may, without regard to subsection*
 24 *(b)(2), approve an application under subsection*
 25 *(a)(1) for approval of a merger transaction if—*

1 “(A) the merger transaction involves 1 or
2 more banks in default or in danger of default
3 and the responsible agency determines, based on
4 clear and convincing evidence, that consumma-
5 tion of the proposed interstate merger trans-
6 action is necessary to prevent significant eco-
7 nomic disruption or significant adverse effects on
8 financial stability, and the Corporation has not
9 received any qualified bid from another institu-
10 tion that is not subject to the prohibition in sub-
11 section (b)(2); or

12 “(B) the Corporation provides assistance
13 under section 13(c) to facilitate such merger
14 transaction and the responsible agency deter-
15 mines, based on clear and convincing evidence,
16 that consummation of the proposed interstate
17 merger transaction is necessary to prevent sig-
18 nificant economic disruption or significant ad-
19 verse effects on financial stability, and the Cor-
20 poration has not received any qualified bid from
21 another institution that is not subject to the pro-
22 hibition in subsection (b)(2).

23 “(3) QUALIFIED BID DEFINED.—In this sub-
24 section, the term ‘qualified bid’ has the meaning given
25 that term in section 18(c)(13)(C).”.

1 (B) *BANK HOLDING COMPANY ACT OF*
 2 1956.—*The Bank Holding Company Act of 1956*
 3 (12 U.S.C. 1841 et seq.) is amended—

4 (i) in section 3(d), by amending para-
 5 graph (5) to read as follows:

6 “(5) *EXCEPTION FOR BANKS IN DEFAULT OR IN*
 7 *DANGER OF DEFAULT.*—

8 “(A) *GENERAL EXCEPTION.*—*The Board*
 9 *may, without regard to subparagraph (B) or (D)*
 10 *of paragraph (1) or paragraph (3), approve an*
 11 *application pursuant to paragraph (1)(A) if—*

12 “(i) *the application is for an acquisi-*
 13 *tion of 1 or more banks in default or in*
 14 *danger of default; or*

15 “(ii) *the application is for an acquisi-*
 16 *tion with respect to which assistance is pro-*
 17 *vided under section 13(c) of the Federal De-*
 18 *posit Insurance Act.*

19 “(B) *CONCENTRATION LIMIT EXCEPTION.*—
 20 *The Board may, without regard to paragraph*
 21 *(2), approve an application pursuant to para-*
 22 *graph (1)(A) if—*

23 “(i) *the application is for the acquisi-*
 24 *tion of 1 or more banks in default or in*
 25 *danger of default and the Board determines,*

1 *based on clear and convincing evidence, that*
2 *consummation of the proposed acquisition*
3 *is necessary to prevent significant economic*
4 *disruption or significant adverse effects on*
5 *financial stability, and the Corporation has*
6 *not received any qualified bid from another*
7 *institution that is not subject to the prohibi-*
8 *tion in paragraph (2); or*

9 “(ii) *the application is for an acquisi-*
10 *tion with respect to which assistance is pro-*
11 *vided under section 13(c) of the Federal De-*
12 *posit Insurance Act and the Board deter-*
13 *mines, based on clear and convincing evi-*
14 *dence, that consummation of the proposed*
15 *acquisition is necessary to prevent signifi-*
16 *cant economic disruption or significant ad-*
17 *verse effects on financial stability, and the*
18 *Corporation has not received any qualified*
19 *bid from another institution that is not sub-*
20 *ject to the prohibition in paragraph (2).*

21 “(C) *QUALIFIED BID DEFINED.—In this*
22 *paragraph, the term ‘qualified bid’ has the*
23 *meaning given that term in section 18(c)(13)(C)*
24 *of the Federal Deposit Insurance Act.’; and*

1 (ii) in section 4(i)(8), by amending
2 subparagraph (B) to read as follows:

3 “(B) *EXCEPTION.*—Subparagraph (A) shall
4 not apply to an acquisition if—

5 “(i) such acquisition involves an in-
6 sured depository institution in default or in
7 danger of default and the Board determines,
8 based on clear and convincing evidence, that
9 consummation of the proposed acquisition
10 is necessary to prevent significant economic
11 disruption or significant adverse effects on
12 financial stability, and the Corporation has
13 not received any qualified bid (as defined in
14 section 18(c)(13)(C) of the Federal Deposit
15 Insurance Act) from another institution
16 that is not subject to the prohibition in
17 paragraph (2); or

18 “(ii) the Federal Deposit Insurance
19 Corporation provides assistance under sec-
20 tion 13 of the Federal Deposit Insurance
21 Act to facilitate such acquisition and the
22 Board determines, based on clear and con-
23 vincing evidence, that consummation of the
24 proposed acquisition is necessary to prevent
25 significant economic disruption or signifi-

1 cant adverse effects on financial stability,
 2 and the Corporation has not received any
 3 qualified bid (as defined in section
 4 18(c)(13)(C) of the Federal Deposit Insur-
 5 ance Act) from another institution that is
 6 not subject to the prohibition in paragraph
 7 (2).”.

8 (2) CONCENTRATION LIMIT WITH RESPECT TO
 9 CONSOLIDATED LIABILITIES.—Section 14(c) of the
 10 Bank Holding Company Act of 1956 (12 U.S.C.
 11 1852(c)) is amended—

12 (A) by redesignating paragraphs (1), (2),
 13 and (3) as subparagraphs (A), (B), and (C), re-
 14 spectively;

15 (B) by striking “With the” and inserting
 16 the following:

17 “(1) IN GENERAL.—With the”; and

18 (C) by adding at the end the following:

19 “(2) LIMITATION.—The Board may provide
 20 written consent for an acquisition described in para-
 21 graph (1)(A) or in paragraph (1)(B) only if the
 22 Board determines, based on clear and convincing evi-
 23 dence, that consummation of the proposed acquisition
 24 is necessary to prevent significant economic disrup-
 25 tion or significant adverse effects on financial sta-

1 *bility, and the Corporation has not received any*
 2 *qualified bid (as defined in section 18(c)(13)(C) of the*
 3 *Federal Deposit Insurance Act) from another institu-*
 4 *tion that is not subject to the prohibition in sub-*
 5 *section (b).”.*

6 *(b) CONGRESSIONAL NOTIFICATION AND JUSTIFICA-*
 7 *TION FOR WAIVERS.—*

8 *(1) IN GENERAL.—Whenever the Board of Gov-*
 9 *ernors of the Federal Reserve System, the Comptroller*
 10 *of the Currency, or the Federal Deposit Insurance*
 11 *Corporation waives a concentration limit under sec-*
 12 *tion 18(c)(13)(B) or section 44(e) of the Federal De-*
 13 *posit Insurance Act or under section 3(d)(5), section*
 14 *4(i)(8)(B), or section 14(c)(2) of the Bank Holding*
 15 *Company Act of 1956, in connection with the acquisi-*
 16 *tion of a bank or insured depository institution in de-*
 17 *fault or in danger of default, or in connection with*
 18 *an acquisition with respect to which the Federal De-*
 19 *posit Insurance Corporation provides assistance*
 20 *under section 13 of the Federal Deposit Insurance*
 21 *Act, the waiving agency and the Federal Deposit In-*
 22 *surance Corporation, jointly, shall, not later than 30*
 23 *days after such waiver, submit a written report to the*
 24 *Committee on Financial Services of the House of Rep-*

1 *representatives and the Committee on Banking, Housing,*
 2 *and Urban Affairs in the Senate containing—*

3 *(A) a justification for the waiver, including*
 4 *an analysis of why it was necessary to prevent*
 5 *significant economic disruption or significant*
 6 *adverse effects on financial stability;*

7 *(B) a description of alternative bids or out-*
 8 *comes considered, including efforts to solicit and*
 9 *encourage bids from entities that would not re-*
 10 *quire a waiver;*

11 *(C) an explanation of why alternative bids*
 12 *were not selected, if applicable; and*

13 *(D) any recommendations for legislative or*
 14 *regulatory changes to improve competition in fu-*
 15 *ture insured depository institution resolutions.*

16 *(2) PUBLIC DISCLOSURE.—The waiving agency*
 17 *submitting a report under paragraph (1) and the*
 18 *Federal Deposit Insurance Corporation shall make the*
 19 *report publicly available on their respective websites,*
 20 *subject to redactions for confidential supervisory in-*
 21 *formation and any other information described under*
 22 *section 552(b) of title 5, United States Code.*

23 *(c) LIMITATION ON CONSIDERING BAD FAITH BIDS IN*
 24 *LEAST COST DETERMINATION.—Section 13(c)(4) of the*
 25 *Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)), as*

1 amended by section 701(a)(3), is further amended by add-
 2 ing at the end the following:

3 “(J) *LIMITATION ON CONSIDERING BAD*
 4 *FAITH BIDS.*—In making a determination under
 5 this paragraph of whether an exercise of author-
 6 ity is the least costly to the Deposit Insurance
 7 Fund, the Corporation may not consider any ap-
 8 plication, proposed application, or bid from a
 9 company, if such application, proposed applica-
 10 tion, or bid would result in violation of—

11 “(i) section 18(c)(13) or 44(b)(2); or

12 “(ii) section 3(d)(2), 4(i)(8), or 14 of
 13 the Bank Holding Company Act of 1956.”.

14 **SEC. 704. SYSTEMIC RISK AUTHORITY TRANSPARENCY.**

15 (a) *GAO REVIEW.*—Section 13(c)(4)(G)(iv) of the Fed-
 16 eral Deposit Insurance Act (12 U.S.C. 1823(c)(4)(G)(iv))
 17 is amended to read as follows:

18 “(iv) *GAO REVIEW.*—

19 “(I) *IN GENERAL.*—The Comp-
 20 troller General of the United States
 21 shall, not later than 60 days after a
 22 determination is made under clause
 23 (i), and again 180 days thereafter, re-
 24 view and report to the Congress on the

1 *determination under clause (i), includ-*
2 *ing—*

3 *“(aa) the basis for the deter-*
4 *mination;*

5 *“(bb) the purpose for which*
6 *any action was taken pursuant to*
7 *such clause;*

8 *“(cc) the likely effect of the*
9 *determination and such action on*
10 *the incentives and conduct of in-*
11 *sured depository institutions and*
12 *uninsured depositors;*

13 *“(dd) any mismanagement*
14 *by the executives and board of the*
15 *insured depository institution*
16 *that contributed to the failure of*
17 *the insured depository institution;*

18 *“(ee) a review of the com-*
19 *pensation practices of the insured*
20 *depository institution;*

21 *“(ff) any supervisory or reg-*
22 *ulatory shortcomings with respect*
23 *to the appropriate Federal bank-*
24 *ing agency of the insured deposi-*
25 *tory institution;*

1 “(gg) any actions taken by
2 the Federal banking regulators,
3 Financial Stability Oversight
4 Council, Department of the Treas-
5 ury, and other relevant financial
6 regulators in relation to the fail-
7 ure of the insured depository in-
8 stitution; and

9 “(hh) any additional rel-
10 evant entities or activities that
11 may have contributed to the fail-
12 ure of the insured depository in-
13 stitution, including with respect
14 to auditing, accounting, credit
15 rating agencies, investment bank
16 underwriters, and emergency li-
17 quidity options such as loans
18 from the Federal reserve banks or
19 advances through the Federal
20 Home Loan Bank system.

21 “(II) *RULE OF CONSTRUCTION.*—
22 *Nothing in this clause or a report*
23 *issued pursuant to this clause may be*
24 *construed to limit the authority of a*

1 *Federal agency to enforce violations of*
 2 *Federal statutes, rules, or orders.”.*

3 *(b) APPROPRIATE FEDERAL BANKING AGENCY RE-*
 4 *PORT.—Section 13(c) of the Federal Deposit Insurance Act*
 5 *(12 U.S.C. 1823(c)) is amended by adding at the end the*
 6 *following:*

7 *“(12) APPROPRIATE FEDERAL BANKING AGENCY*
 8 *REPORT.—*

9 *“(A) IN GENERAL.—The appropriate Fed-*
 10 *eral banking agency of an insured depository in-*
 11 *stitution about which a determination is made*
 12 *under paragraph (4)(G)(i) shall, not later than*
 13 *90 days after the date of such determination,*
 14 *and again 210 days thereafter, submit a report*
 15 *to the Congress that discloses the following:*

16 *“(i) Subject to such redactions as the*
 17 *appropriate Federal banking agency deter-*
 18 *mines appropriate to protect personally*
 19 *identifiable information about customers*
 20 *and other financial institutions (as such*
 21 *term is defined under section 11(e)(9)(D)),*
 22 *all—*

23 *“(I) reports of examination and*
 24 *inspection that relate to the failed in-*

1 *insured depository institution in the pre-*
2 *vious 3-year period;*

3 “(II) *formal communications of a*
4 *material supervisory determination*
5 *conveyed to the failed insured deposi-*
6 *tory institution in the previous 3-year*
7 *period; and*

8 “(III) *any additional exam re-*
9 *ports and correspondence that the ap-*
10 *propriate Federal banking agency de-*
11 *termines may be relevant to the failure*
12 *of the insured depository institution.*

13 “(ii) *An examination of any mis-*
14 *management by the executives and board of*
15 *the insured depository institution that con-*
16 *tributed to the failure of the insured deposi-*
17 *tory institution.*

18 “(iii) *Any supervisory or regulatory*
19 *shortcomings by such appropriate Federal*
20 *banking agency with respect to the insured*
21 *depository institution.*

22 “(iv) *Any dynamics that the appro-*
23 *priate Federal banking agency determines*
24 *may have contributed to the failure of the*
25 *insured depository institution.*

1 “(v) *Any supervisory, regulatory, or*
2 *legislative recommendations such appro-*
3 *priate Federal banking agency may have to*
4 *improve the safety and soundness of simi-*
5 *larly situated insured depository institu-*
6 *tions, the banking system, and financial*
7 *stability.*

8 “(B) *PROTECTION OF SENSITIVE INFORMA-*
9 *TION.—*

10 “(i) *EFFECT ON PRIVILEGE.—The pro-*
11 *vision of any information by a Federal*
12 *banking agency under this paragraph may*
13 *not be construed as—*

14 “(I) *waiving, destroying, or other-*
15 *wise affecting any privilege applicable*
16 *to the information; or*

17 “(II) *waiving any exemption ap-*
18 *plicable to the information under sec-*
19 *tion 552 of title 5, United States Code*
20 *(commonly known as the ‘Freedom of*
21 *Information Act’).*

22 “(ii) *TRANSPARENCY.—*

23 “(I) *IN GENERAL.—A Federal*
24 *banking agency shall publish materials*
25 *contained in a report required under*

1 subparagraph (A) to the fullest extent
2 possible to promote transparency.

3 “(II) CONSULTATION ON OMITTING
4 MATERIALS.—If a Federal banking
5 agency determines particular materials
6 described under subclause (I) should
7 not be published, the Federal banking
8 agency shall consult with the Chair
9 and Ranking Member of the Committee
10 on Financial Services of the House of
11 Representatives and the Chair and
12 Ranking Member of the Committee on
13 Banking, Housing, and Urban Affairs
14 of the Senate.

15 “(III) OMITTING MATERIALS.—If,
16 after the consultation required under
17 subclause (II), the Federal banking
18 agency determines there is a substan-
19 tial public interest in not publishing
20 such materials, the Federal banking
21 agency shall provide those materials to
22 the Committee on Financial Services of
23 the House of Representatives and the
24 Committee on Banking, Housing, and
25 Urban Affairs of the Senate with a

1 *written explanation describing the rea-*
2 *sons for not publishing those materials.*

3 “(iii) *PRIVILEGE.*—*For purposes of*
4 *this subparagraph, the term ‘privilege’ in-*
5 *cludes any work-product, attorney-client, or*
6 *other privilege recognized under Federal or*
7 *State law.*

8 “(C) *REPORT EXTENSION.*—*A Federal*
9 *banking agency may extend a deadline described*
10 *under subparagraph (A) for an additional 60*
11 *days, if the Federal banking agency—*

12 “(i) *faces ongoing circumstances that*
13 *require the Federal banking agency to*
14 *prioritize activities to promote stability of*
15 *the U.S. banking system; and*

16 “(ii) *notifies the Congress of such ex-*
17 *tension and the reasons for such extension.*

18 “(D) *CONSOLIDATED REPORTS.*—*A Federal*
19 *banking agency may consolidate multiple reports*
20 *required under this paragraph so long as the in-*
21 *dividual reports being consolidated all meet the*
22 *timing requirements under this paragraph.*

23 “(E) *RULE OF CONSTRUCTION.*—*Nothing in*
24 *this paragraph or reports or materials provided*
25 *pursuant to this paragraph may be construed to*

1 *limit the authority of a Federal agency to en-*
 2 *force violations of Federal statutes, rules, or or-*
 3 *ders.”.*

4 ***TITLE VIII—FACILITATING INNO-***
 5 ***VATION AND BANK PARTNER-***
 6 ***SHIPS***

7 ***SEC. 801. MERCHANT BANKING MODERNIZATION.***

8 *Section 4(k)(7)(A) of the Bank Holding Company Act*
 9 *of 1956 (12 U.S.C. 1843(k)(7)(A)) is amended by inserting*
 10 *“Under such regulations, the period of time generally per-*
 11 *mitted for holding merchant banking investments shall not*
 12 *be less than 15 years. For any merchant banking invest-*
 13 *ment held on the date of enactment of the Merchant Bank-*
 14 *ing Modernization Act, the holding period of time permitted*
 15 *shall not be less than 15 years from the initial date of the*
 16 *investment.” after the period at the end.*

17 ***SEC. 802. BANK-FINTECH PARTNERSHIP ENHANCEMENT.***

18 *(a) STUDY ON BANK-FINTECH PARTNERSHIPS.—*

19 *(1) STUDY.—The Board of Governors of the Fed-*
 20 *eral Reserve System, the Comptroller of the Currency,*
 21 *and the Federal Deposit Insurance Corporation shall*
 22 *carry out a study of—*

23 *(A) the impact of partnerships between*
 24 *banking organizations, on the one hand, and fi-*
 25 *nancial technology companies, on the other hand,*

1 *on the banking sector, competition, innovation,*
2 *consumer protection, and the availability of fi-*
3 *nancial products and services, including the ex-*
4 *tent to which these partnerships support the for-*
5 *mation of new banking organizations, reduce*
6 *time to market for products and services, lower*
7 *compliance burdens, boost customer acquisition,*
8 *improve technological capabilities, and provide*
9 *access to more diverse funding sources; and*

10 *(B) what changes to Federal laws governing*
11 *banking organizations, or to rules or guidance*
12 *adopted by the Board of Governors of the Federal*
13 *Reserve System, the Comptroller of the Currency,*
14 *or the Federal Deposit Insurance Corporation,*
15 *may help promote effective partnerships between*
16 *banking organizations, on the one hand, and fi-*
17 *nancial technology companies, on the other hand.*

18 *(2) REPORT.—Not later than 1 year after the*
19 *date of enactment of this Act, the Board of Governors*
20 *of the Federal Reserve System, the Comptroller of the*
21 *Currency, and the Federal Deposit Insurance Cor-*
22 *poration shall issue a report to the Committee on Fi-*
23 *nancial Services of the House of Representatives and*
24 *the Committee on Banking, Housing, and Urban Af-*
25 *airs of the Senate containing all findings and deter-*

1 *minations made in carrying out the study required*
2 *under paragraph (1).*

3 (3) *BANKING ORGANIZATION DEFINED.—In this*
4 *subsection, the term “banking organization” means a*
5 *depository institution holding company or an insured*
6 *depository institution, as such terms are defined, re-*
7 *spectively, under section 3 of the Federal Deposit In-*
8 *surance Act (12 U.S.C. 1813).*

9 (b) *STUDY ON CREDIT UNION-FINTECH PARTNER-*
10 *SHIPS.—*

11 (1) *STUDY.—The National Credit Union Admin-*
12 *istration shall carry out a study of—*

13 (A) *the impact of partnerships between*
14 *credit unions, on the one hand, and financial*
15 *technology companies, on the other hand, on the*
16 *credit union sector, competition, innovation, con-*
17 *sumer protection, and the availability of finan-*
18 *cial products and services, including the extent*
19 *to which these partnerships support the forma-*
20 *tion of new credit unions, reduce time to market*
21 *for products and services, lower compliance bur-*
22 *dens, boost customer acquisition, improve techno-*
23 *logical capabilities, and provide access to more*
24 *diverse funding sources; and*

1 (B) *what changes to Federal laws governing*
2 *credit unions, or to rules or guidance adopted by*
3 *the National Credit Union Administration, may*
4 *help promote effective partnerships between cred-*
5 *it unions, on the one hand, and financial tech-*
6 *nology companies, on the other hand.*

7 (2) *REPORT.—Not later than 1 year after the*
8 *date of enactment of this Act, the National Credit*
9 *Union Administration shall issue a report to the*
10 *Committee on Financial Services of the House of Rep-*
11 *resentatives and the Committee on Banking, Housing,*
12 *and Urban Affairs of the Senate containing all find-*
13 *ings and determinations made in carrying out the*
14 *study required under paragraph (1).*

Union Calendar No. 535

119TH CONGRESS
2D Session

H. R. 6955

[Report No. 119-617]

A BILL

To make improvements to the Federal banking laws, and for other purposes.

APRIL 20, 2026

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