

119TH CONGRESS  
2D SESSION

# H. R. 7887

To prohibit stock sales by senior bank executives in certain circumstances.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2026

Ms. WATERS introduced the following bill; which was referred to the  
Committee on Financial Services

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## A BILL

To prohibit stock sales by senior bank executives in certain  
circumstances.

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Incentivizing Safe and  
5       Sound Banking Act”.

6       **SEC. 2. STOCK SALE PROHIBITION.**

7       (a) AUTHORITY TO PROHIBIT STOCK SALES RELAT-  
8       ING TO CEASE AND DESIST ORDERS.—Section 8(b) of the  
9       Federal Deposit Insurance Act (12 U.S.C. 1818(b)) is  
10      amended by inserting at the end the following:

1           “(11) STOCK SALE PROHIBITION.—The author-  
2           ity to issue an order under this subsection or sub-  
3           section (c) includes the authority to prohibit the sale  
4           of securities of the insured depository institution and  
5           any affiliate of such insured depository institution  
6           received and owned by any current or former officer  
7           or director of the insured depository institution or  
8           any institution-affiliated party that received such se-  
9           curities as a form of compensation.”.

10          (b) AUTOMATIC PROHIBITION.—Section 8 of the  
11 Federal Deposit Insurance Act (12 U.S.C. 1818) is  
12 amended by adding at the end the following:

13          “(x) AUTOMATIC PROHIBITION OF STOCK SALE.—

14               “(1) IN GENERAL.—If a covered banking insti-  
15               tution has a composite or component rating of 3, 4,  
16               or 5 under the Uniform Financial Institutions Rat-  
17               ing System (or an equivalent rating under a com-  
18               parable rating system), or the appropriate Federal  
19               banking agency issues a ‘matter requiring immediate  
20               attention’ (or similar supervisory notice, as deter-  
21               mined by the appropriate Federal banking agency)  
22               to a covered banking institution, and the institution  
23               does not remediate the issue by the deadline estab-  
24               lished by the appropriate Federal banking agency,  
25               any senior executive officer may not sell securities of

1 the covered banking institution or any affiliate of the  
2 covered banking institution that the individual re-  
3 ceived as a form of compensation, until the matter  
4 is resolved to the satisfaction of the appropriate  
5 Federal banking agency.

6 “(2) COVERED BANKING INSTITUTION.—In this  
7 subsection, the term ‘covered banking institution’  
8 means—

9 “(A) a bank holding company with more  
10 than \$50,000,000,000 in consolidated assets;

11 “(B) a bank subsidiary of a bank holding  
12 company described under subparagraph (A); or

13 “(C) a bank or savings association with  
14 more than \$50,000,000,000 in consolidated as-  
15 sets.”.

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