

DECEMBER 14, 2017

RULES COMMITTEE PRINT 115–49
TEXT OF H.R. 3312, SYSTEMIC RISK
DESIGNATION IMPROVEMENT ACT OF 2017

**[Showing the text of H.R. 3312 as reported by the Committee
on Financial Services with modification.]**

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Systemic Risk Des-
3 ignation Improvement Act of 2017”.

4 **SEC. 2. REVISIONS TO COUNCIL AUTHORITY.**

5 (a) **PURPOSES AND DUTIES.**—Section 112 of the
6 Dodd-Frank Wall Street Reform and Consumer Protec-
7 tion Act (12 U.S.C. 5322) is amended in subsection
8 (a)(2)(I) by inserting before the semicolon “, which have
9 been identified as global systemically important bank hold-
10 ing companies pursuant to section 217.402 of title 12,
11 Code of Federal Regulations, or subjected to a determina-
12 tion under subsection (l) of section 165”.

13 (b) **ENHANCED SUPERVISION.**—Section 115 of the
14 Dodd-Frank Wall Street Reform and Consumer Protec-
15 tion Act (12 U.S.C. 5325) is amended—

16 (1) in subsection (a)(1), by striking “large,
17 interconnected bank holding companies” and insert-
18 ing “bank holding companies which have been iden-

1 tified as global systemically important bank holding
2 companies pursuant to section 217.402 of title 12,
3 Code of Federal Regulations, or subjected to a de-
4 termination under subsection (l) of section 165”;
5 and

6 (2) in subsection (a)(2)—

7 (A) in subparagraph (A), by striking “;
8 or” at the end and inserting a period;

9 (B) by striking “the Council may” and all
10 that follows through “differentiate” and insert-
11 ing “the Council may differentiate”; and

12 (C) by striking subparagraph (B).

13 (c) REPORTS.—Section 116(a) of the Dodd-Frank
14 Wall Street Reform and Consumer Protection Act (12
15 U.S.C. 5326(a)) is amended by striking “with total con-
16 solidated assets of \$50,000,000,000 or greater” and in-
17 serting “which has been identified as a global systemically
18 important bank holding company pursuant to section
19 217.402 of title 12, Code of Federal Regulations, or sub-
20 jected to a determination under subsection (l) of section
21 165”.

22 (d) MITIGATION.—Section 121(a) of the Dodd-Frank
23 Wall Street Reform and Consumer Protection Act (12
24 U.S.C. 5331) is amended by striking “with total consoli-
25 dated assets of \$50,000,000,000 or more” and inserting

1 “which has been identified as a global systemically impor-
2 tant bank holding company pursuant to section 217.402
3 of title 12, Code of Federal Regulations, or subjected to
4 a determination under subsection (l) of section 165”.

5 (e) OFFICE OF FINANCIAL RESEARCH.—Section 155
6 of the Dodd-Frank Wall Street Reform and Consumer
7 Protection Act (12 U.S.C. 5345) is amended in subsection
8 (d) by striking “with total consolidated assets of
9 50,000,000,000 or greater” and inserting “which have
10 been identified as global systemically important bank hold-
11 ing companies pursuant to section 217.402 of title 12,
12 Code of Federal Regulations, or subjected to a determina-
13 tion under subsection (l) of section 165”.

14 **SEC. 3. REVISIONS TO BOARD AUTHORITY.**

15 (a) ACQUISITIONS.—Section 163 of the Dodd-Frank
16 Wall Street Reform and Consumer Protection Act (12
17 U.S.C. 5363) is amended by striking “with total consoli-
18 dated assets equal to or greater than \$50,000,000,000”
19 each place such term appears and inserting “which has
20 been identified as a global systemically important bank
21 holding company pursuant to section 217.402 of title 12,
22 Code of Federal Regulations, or subjected to a determina-
23 tion under subsection (l) of section 165”.

24 (b) MANAGEMENT INTERLOCKS.—Section 164 of the
25 Dodd-Frank Wall Street Reform and Consumer Protec-

tion Act (12 U.S.C. 5364) is amended by striking “with total consolidated assets equal to or greater than \$50,000,000,000” and inserting “which has been identified as a global systemically important bank holding company pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l) of section 165”.

(c) ENHANCED SUPERVISION AND PRUDENTIAL STANDARDS.—Section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5365) is amended—

(1) in subsection (a), by striking “with total consolidated assets equal to or greater than \$50,000,000,000” and inserting “which have been identified as global systemically important bank holding companies pursuant to section 217.402 of title 12, Code of Federal Regulations, or subjected to a determination under subsection (l)”;

(2) in subsection (a)(2)—

(A) by striking “(A) IN GENERAL.—”;

(B) in subparagraph (A), by striking “may” and inserting “shall”; and

(C) by striking subparagraph (B);

(3) in subsection (j), by striking “with total consolidated assets equal to or greater than

1 \$50,000,000,000” and inserting “which has been
2 identified as a global systemically important bank
3 holding company pursuant to section 217.402 of
4 title 12, Code of Federal Regulations, or subjected
5 to a determination under subsection (l)”.

6 (d) **ADVANCED TAILORING.**—Section 165 of the
7 Dodd-Frank Wall Street Reform and Consumer Protec-
8 tion Act (12 U.S.C. 5365) is amended by adding at the
9 end the following:

10 “(l) **ADDITIONAL BANK HOLDING COMPANIES SUB-**
11 **JECT TO ENHANCED SUPERVISION AND PRUDENTIAL**
12 **STANDARDS BY TAILORED REGULATION.**—

13 “(1) **DETERMINATION.**—The Board of Gov-
14 ernors may, within the limits of its existing re-
15 sources—

16 “(A) determine that a bank holding com-
17 pany that has not been identified as a global
18 systemically important bank holding company
19 pursuant to section 217.402 of title 12, Code of
20 Federal Regulations, shall be subject to certain
21 enhanced supervision or prudential standards
22 under this section, tailored to the risks pre-
23 sented, based on the considerations in para-
24 graph (3), where material financial distress at
25 the bank holding company, or the nature, scope,

1 size, scale, concentration, interconnectedness, or
2 mix of the activities of the individual bank hold-
3 ing company, could pose a threat to the finan-
4 cial stability of the United States; or

5 “(B) by regulation determine that a cat-
6 egory of bank holding companies that have not
7 been identified as global systemically important
8 bank holding companies pursuant to section
9 217.402 of title 12, Code of Federal Regula-
10 tions, shall be subject to certain enhanced su-
11 pervision or prudential standards under this
12 section, tailored to the risk presented by the
13 category of bank holding companies, based on
14 the considerations in paragraph (3), where ma-
15 terial financial distress at the category of bank
16 holding companies, or the nature, scope, size,
17 scale, concentration, interconnectedness, or mix
18 of the activities of the category of bank holding
19 companies, could pose a threat to the financial
20 stability of the United States.

21 “(2) COUNCIL APPROVAL OF REGULATIONS
22 WITH RESPECT TO CATEGORIES.—Notwithstanding
23 paragraph (1)(B), a regulation issued by the Board
24 of Governors to make a determination under such
25 paragraph (1)(B) shall not take effect unless the

1 Council, by a vote of not fewer than $\frac{2}{3}$ of the voting
2 members then serving, including an affirmative vote
3 by the Chairperson, approves the metrics used by
4 the Board of Governors in establishing such regula-
5 tion.

6 “(3) CONSIDERATIONS.—In making any deter-
7 mination under paragraph (1), the Board of Gov-
8 ernors shall consider the following factors:

9 “(A) The size of the bank holding com-
10 pany.

11 “(B) The interconnectedness of the bank
12 holding company.

13 “(C) The extent of readily available sub-
14 stitutes or financial institution infrastructure
15 for the services of the bank holding company.

16 “(D) The global cross-jurisdictional activ-
17 ity of the bank holding company.

18 “(E) The complexity of the bank holding
19 company.

20 “(4) CONSISTENT APPLICATION OF CONSIDER-
21 ATIONS.—In making a determination under para-
22 graph (1), the Board of Governors shall ensure that
23 bank holding companies that are similarly situated
24 with respect to the factors described under para-
25 graph (3), are treated similarly for purposes of any

1 enhanced supervision or prudential standards ap-
2 plied under this section.

3 “(5) USE OF CURRENTLY REPORTED DATA TO
4 AVOID UNNECESSARY BURDEN.—For purposes of
5 making a determination under paragraph (1), the
6 Board of Governors shall make use of data already
7 being reported to the Board of Governors, including
8 from calculating a bank holding company’s systemic
9 indicator score, in order to avoid placing an unneces-
10 sary burden on bank holding companies.”.

11 (e) SYSTEMIC IDENTIFICATION.—Section 165 of the
12 Dodd-Frank Wall Street Reform and Consumer Protec-
13 tion Act (12 U.S.C. 5365), as amended by subsection (d),
14 is further amended by adding at the end the following:

15 “(m) SYSTEMIC IDENTIFICATION.—With respect to
16 the identification of bank holding companies as global sys-
17 temically important bank holding companies pursuant to
18 section 217.402 of title 12, Code of Federal Regulations,
19 or subjected to a determination under subsection (l), the
20 Board of Governors shall—

21 “(1) publish, including on the Board of
22 Governors’s website, a list of all bank holding com-
23 panies that have been so identified, and keep such
24 list current; and

1 “(2) solicit feedback from the Council on the
2 identification process and on the application of such
3 process to specific bank holding companies.”.

4 **SEC. 4. RULE OF CONSTRUCTION.**

5 Nothing in this Act or the amendments made by this
6 Act shall be construed to prohibit the Board of Governors
7 of the Federal Reserve System from prescribing enhanced
8 prudential standards for any bank holding company which
9 the Board of Governors determines, based upon the bank
10 holding company’s size, interconnectedness, substitut-
11 ability, global cross-jurisdictional activity, and complexity,
12 could pose a safety and soundness risk to the stability of
13 the United States banking or financial system but has not
14 been designated as a global systemically important bank
15 holding company.

16 **SEC. 5. EXISTING ASSESSMENT TERMINATION SCHEDULE.**

17 (a) TEMPORARY EXTENSION OF EXISTING ASSESS-
18 MENT.—

19 (1) IN GENERAL.—Each bank holding company
20 that, on the day that is 24 months following the
21 date of the enactment of this Act, has total consoli-
22 dated assets equal to or greater than
23 \$50,000,000,000, has not been identified as a global
24 systemically important bank holding company pursu-
25 ant to section 217.402 of title 12, Code of Federal

1 Regulations, and has not been subjected to a deter-
2 mination under subsection (l) of section 165 of the
3 Dodd-Frank Wall Street Reform and Consumer Pro-
4 tection Act, shall be subject to assessments by the
5 Secretary of the Treasury to the same extent as a
6 bank holding company that has been so identified or
7 subjected.

8 (2) CONSIDERATIONS.—In making assessments
9 pursuant to paragraph (1), the Secretary of the
10 Treasury shall take into account differences among
11 the bank holding companies subject to such assess-
12 ment, based on the considerations for establishing
13 the prudential standards under section 115 of the
14 Dodd-Frank Wall Street Reform and Consumer Pro-
15 tection Act (12 U.S.C. 5325).

16 (3) LIMITATION ON AMOUNT OF ASSESS-
17 MENTS.—The aggregate amount collected pursuant
18 to paragraph (1) from all bank holding companies
19 assessed under such paragraph shall be
20 \$58,000,000.

21 (4) PAYMENT PERIOD OPTIONS.—The Secretary
22 of the Treasury shall offer the option of payments
23 spread out before the end of the 48-month period
24 following the date of the enactment of this Act, or
25 shorter periods including the option of a one-time

1 payment, at the discretion of each bank holding
2 company paying assessments pursuant to paragraph
3 (1).

4 (5) ASSESSMENTS TO BE MADE IN ADDITION TO
5 ANY OTHER ASSESSMENTS.—The assessments col-
6 lected pursuant to paragraph (1) shall be in addition
7 to, and not as a replacement of, any assessments re-
8 quired under any other law.

9 (b) TREATMENT UPON DETERMINATION.—A bank
10 holding company assessed under this section shall no
11 longer be subject to such assessments in the event it is
12 identified as a global systemically important bank holding
13 company pursuant to section 217.402 of title 12, Code of
14 Federal Regulations, or subjected to a determination
15 under subsection (l) of section 165 of the Dodd-Frank
16 Wall Street Reform and Consumer Protection Act. Any
17 prior payments made by such a banking holding company
18 pursuant to an assessment under this section shall be non-
19 refundable.

20 **SEC. 5. EFFECTIVE DATE.**

21 The amendments made by this Act shall take effect
22 after the end of the 18-month period following the date
23 of the enactment of this Act.

