

113TH CONGRESS
2D SESSION

S. 2698

To provide regulatory easement for lending institutions that enable a vibrant economy.

IN THE SENATE OF THE UNITED STATES

JULY 30, 2014

Mr. KING (for himself, Mr. WARNER, Mr. TESTER, and Mrs. FISCHER) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide regulatory easement for lending institutions that enable a vibrant economy.

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 (a) SHORT TITLE.—This Act may be cited as the
5 “Regulatory Easement for Lending Institutions that En-
6 able a Vibrant Economy Act of 2014” or the “RELIEVE
7 Act”.

8 (b) TABLE OF CONTENTS.—The table of contents for
9 this Act is as follows:

Sec. 1. Short title.

TITLE I—EXPANSION OF SMALL BANK HOLDING COMPANY
POLICY STATEMENT DEFINITION

Sec. 101. Changes required to small bank holding company policy statement on assessment of financial and managerial factors.

Sec. 102. Conforming amendment.

Sec. 103. Definitions.

TITLE II—QUALIFIED MORTGAGES FOR RURAL LENDERS

Sec. 201. Qualified mortgages for rural lenders.

TITLE III—INSURANCE OF AMOUNTS HELD ON BEHALF OF
OTHERS

Sec. 301. Insurance of amounts held on behalf of others.

1 TITLE I—EXPANSION OF SMALL
2 BANK HOLDING COMPANY
3 POLICY STATEMENT DEFINI-
4 TION

5 SEC. 101. CHANGES REQUIRED TO SMALL BANK HOLDING
6 COMPANY POLICY STATEMENT ON ASSESS-
7 MENT OF FINANCIAL AND MANAGERIAL FAC-
8 TORS.

9 (a) IN GENERAL.—Before the end of the 6-month pe-
10 riod beginning on the date of the enactment of this Act,
11 the Board of Governors of the Federal Reserve System
12 (hereafter in this Act referred to as the “Board”) shall
13 publish in the Federal Register proposed revisions to the
14 Small Bank Holding Company Policy Statement on As-
15 sessment of Financial and Managerial Factors (12 C.F.R.
16 part 225 appendix C) that provide that the policy shall
17 apply to bank holding companies and savings and loan

1 holding companies which have pro forma consolidated as-
 2 sets of less than \$1,000,000,000 and that—

3 (1) are not engaged in significant nonbanking
 4 activities either directly or through a nonbank sub-
 5 sidiary;

6 (2) do not conduct significant off-balance sheet
 7 activities (including securitization and asset manage-
 8 ment or administration) either directly or through a
 9 nonbank subsidiary; and

10 (3) do not have a material amount of debt or
 11 equity securities outstanding (other than trust pre-
 12 ferred securities) that are registered with the Securi-
 13 ties and Exchange Commission.

14 (b) EXCLUSIONS.—The Board may exclude any bank
 15 holding company or savings and loan holding company, re-
 16 gardless of asset size, from the policy statement under
 17 subsection (a) if the Board determines that such action
 18 is warranted for supervisory purposes.

19 **SEC. 102. CONFORMING AMENDMENT.**

20 Section 171(b)(5)(C) of the Dodd-Frank Wall Street
 21 Reform and Consumer Protection Act (12 U.S.C.
 22 5371(b)(5)(C)) is amended by inserting “or small savings
 23 and loan holding company” after “any small bank holding
 24 company”.

1 **SEC. 103. DEFINITIONS.**

2 For the purposes of this title:

3 (a) BANK HOLDING COMPANY.—The term “bank
4 holding company” has the same meaning as in section 2
5 of the Bank Holding Company Act of 1956 (12 U.S.C.
6 1841).

7 (b) SAVINGS AND LOAN HOLDING.—The term “sav-
8 ings and loan holding company” has the same meaning
9 as in section 10(a) of the Home Owners’ Loan Act (12
10 U.S.C. 1467a(a)).

11 **TITLE II—QUALIFIED MORT-**
12 **GAGES FOR RURAL LENDERS**

13 **SEC. 201. QUALIFIED MORTGAGES FOR RURAL LENDERS.**

14 Section 129C(b)(2) of the Truth in Lending Act (15
15 U.S.C. 1639c(b)(2)) is amended—

16 (1) in subparagraph (E)(vi)(II), by striking “a
17 limit set by the Board” and inserting “1,000 per
18 year”; and

19 (2) by inserting after subparagraph (E) the fol-
20 lowing:

21 “(F) RURAL.—The term ‘rural’ means any
22 area other than—

23 “(i) a city or town that has a popu-
24 lation of greater than 50,000 inhabitants;
25 and

1 “(ii) any urbanized area contiguous
 2 and adjacent to a city or town described in
 3 clause (i).”.

4 **TITLE III—INSURANCE OF**
 5 **AMOUNTS HELD ON BEHALF**
 6 **OF OTHERS**

7 **SEC. 301. INSURANCE OF AMOUNTS HELD ON BEHALF OF**
 8 **OTHERS.**

9 Section 207(k) of the Federal Credit Union Act (12
 10 U.S.C. 1787(k)) is amended—

11 (1) in paragraph (1)(A)—

12 (A) by inserting after “payable to any
 13 member” the following: “, or to any person with
 14 funds lawfully held in a member account,”; and

15 (B) by striking “and paragraphs (5) and
 16 (6)”;

17 (2) in paragraph (2)(A), by striking “(as deter-
 18 mined under paragraph (5))”;

19 (3) by redesignating paragraph (5) as para-
 20 graph (6); and

21 (4) by inserting after paragraph (4) the fol-
 22 lowing:

23 “(5) COVERAGE FOR INTEREST ON LAWYERS
 24 TRUST ACCOUNTS AND OTHER SIMILAR ESCROW AC-
 25 COUNTS.—

“(A) PASS-THROUGH INSURANCE.—The Administration shall provide pass-through share insurance for the deposits or shares of any interest on lawyers trust account (commonly referred to as ‘IOLTA’) or other similar escrow accounts.

“(B) TREATMENT OF IOLTAS.—

“(i) TREATMENT AS ESCROW ACCOUNTS.—For share insurance purposes, IOLTAs are treated as escrow accounts.

“(ii) TREATMENT AS MEMBER ACCOUNTS.—IOLTAs and other similar escrow accounts are considered member accounts for purposes of paragraph (1), if the attorney administering the IOLTA or the escrow agent administering the escrow account is a member of the insured credit union in which the funds are held.

“(C) DEFINITIONS.—For purposes of this paragraph:

“(i) INTEREST ON LAWYERS TRUST ACCOUNT.—The terms ‘interest on lawyers trust account’ or ‘IOLTA’ mean a system in which lawyers place certain client funds in interest-bearing or dividend-bearing ac-

1 counts, with the interest or dividends then
2 used to fund programs such as legal serv-
3 ice organizations who provide services to
4 clients in need.

5 “(ii) PASS-THROUGH SHARE INSUR-
6 ANCE.—The term ‘pass-through share in-
7 surance’ means, with respect to IOLTAs
8 and other similar escrow accounts, insur-
9 ance coverage based on the interest of each
10 person on whose behalf funds are held in
11 such accounts by the attorney admin-
12 istering the IOLTA or the escrow agent
13 administering a similar escrow account, in
14 accordance with regulations issued by the
15 Administration.

16 “(D) RULE OF CONSTRUCTION.—No provi-
17 sion of this paragraph shall be construed as au-
18 thorizing an insured credit union to accept the
19 deposits of an IOLTA or similar escrow account
20 in an amount greater than such credit union is
21 authorized to accept under any other provision
22 of Federal or State law.”.

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