Rulli
Rutherford
Salazar
Scalise
Schmidt
Schweikert
Scott, Austin
Self
Sessions
Shreve
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Spartz
Stauber
Stefanik
Steil
Steube
Strong
Stutzman
Taylor
Tenney
Thompson (PA)
Tiffany
Timmons
Turner (OH)
Valadao
Van Drew
Van Duyne
Van Epps
Van Orden
Wagner
Walberg
Weber (TX)
Webster (FL)
Westerman
Wied
Williams (TX)
Wilson (SC)
Wittman
Womack
Yakym
Zinke

NAYS—209

Adams
Aguilar
Amo
Ansari
Auchincloss
Balint
Barragán
Beatty
Bell
Bera
Bishop
Bonamici
Boyle (PA)
Brown
Brownley
Budzinski
Bynum
Carbajal
Carson
Carter (LA)
Casar
Case
Casten
Castor (FL)
Castro (TX)
Chu
Cisneros
Clark (MA)
Clarke (NY)
Cleaver
Clyburn
Cohen
Conaway
Correa
Costa
Courtney
Craig
Crockett
Crow
Cuellar
Davids (KS)
Davis (IL)
Davis (NC)
Dean (PA)
DeGette
DeLauro
DelBene
Deluzio
DeSaulnier
Dexter
Dingell
Doggett
Elfreth
Escobar
Espaillat
Evans (PA)
Fields
Figures
Fletcher
Foster
Foushee
Frankel, Lois
Friedman
Frost
Garamendi
Garcia (CA)
García (IL)
Garcia (TX)
Gillen
Golden (ME)
Goldman (NY)
Gomez
Gonzalez, V.
Goodlander
Gottheimer
Gray
Green, Al (TX)
Grijalva
Harder (CA)
Hayes
Himes
Horsford
Houlahan
Hoyer
Hoyle (OR)
Huffman
Ivey
Jackson (IL)
Jacobs
Jayapal
Jeffries
Johnson (GA)
Johnson (TX)
Kamlager-Dove
Kaptur
Keating
Kelly (IL)
Kennedy (NY)
Khanna
Krishnamoorthi
Landsman
Larsen (WA)
Larson (CT)
Latimer
Lee (NV)
Lee (PA)
Leger Fernandez
Levin
Liccardo
Lieu
Lofgren
Lynch
Magaziner
Mannion
Matsui
McBath
McBride
McClain Delaney
McClellan
McCollum
McDonald Rivet
McGarvey
McGovern
McIver
Meeks
Mejia
Menefee
Menendez
Meng
Mfume
Min
Moore (WI)
Morelle
Morrison
Moskowitz
Mrvan
Mullin
Nadler
Neal
Neguse
Norcross
Ocasio-Cortez
Olszewski
Omar
Pallone
Panetta
Pappas
Pelosi
Perez
Peters
Pettersen
Pingree
Pocan
Pou
Pressley
Quigley
Ramirez
Randall
Raskin
Riley (NY)
Rivas
Ross
Ruiz
Ryan
Salinas
Sánchez
Scanlon
Schakowsky
Schneider
Scholten
Schrier
Scott (VA)
Sewell
Sherman
Simon
Smith (WA)
Sorensen
Soto
Stansbury
Stanton
Stevens
Strickland
Subramanyam
Suozzi
Sykes
Takano
Thanedar
Thompson (CA)
Thompson (MS)
Titus
Tlaib
Tokuda
Tonko
Torres (CA)
Torres (NY)
Trahan
Tran
Underwood
Vargas
Vasquez
Veasey
Velázquez
Vindman
Walkinshaw
Wasserman Schultz
Waters
Watson Coleman
Whitesides
Williams (GA)

NOT VOTING—9

Beyer
Biggs (AZ)
Carter (TX)
Clyde
Fine
Gosar
Moulton
Rose
Wilson (FL)

□ 1411

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. McGOVERN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 214, noes 211, not voting 6, as follows:

[Roll No. 254]

AYES—214

Aderholt
Alford
Allen
Amodei (NV)
Arrington
Babin
Bacon
Baird
Balderson
Barr
Barrett
Baumgartner
Bean (FL)
Begich
Bentz
Bergman
Bice
Biggs (SC)
Bilirakis
Boebert
Bost
Brecheen
Bresnahan
Buchanan
Burchett
Burlison
Calvert
Cammack
Carey
Carter (GA)
Carter (TX)
Ciscomani
Cline
Cloud
Cole
Collins
Comer
Crane
Crank
Crawford
Crenshaw
Davidson
De La Cruz
DesJarlais
Diaz-Balart
Donalds
Downing
Dunn (FL)
Edwards
Ellzey
Emmer
Estes
Evans (CO)
Ezell
Fallon
Fedorchak
Feenstra
Finstad
Fischbach
Fitzgerald
Fitzpatrick
Fleischmann
Flood
Fong
Foxx
Franklin, Scott
Fry
Fulcher
Fuller
Gallagher
Garbarino
Gill (TX)
Gimenez
Goldman (TX)
Gooden
Graves
Griffith
Grothman
Guest
Guthrie
Hageman
Hamadeh (AZ)
Haridopolos
Harrigan
Harris (MD)
Harris (NC)
Harshbarger
Hern (OK)
Higgins (LA)
Hill (AR)
Hinson
Houchin
Hudson
Huizenga
Hunt
Hurd (CO)
Issa
Jack
Jackson (TX)
James
Johnson (LA)
Johnson (SD)
Jordan
Joyce (OH)
Joyce (PA)
Kean
Kelly (MS)
Kelly (PA)
Kennedy (UT)
Kiggans (VA)
Kiley (CA)
Kim
Knott
Kustoff
LaHood
LaLota
Langworthy
Latta
Lawler
Lee (FL)
Letlow
Loudermilk
Lucas
Luna
Luttrell
Mace
Mackenzie
Malliotakis
Maloy
Mann
Mast
McCaul
McClain
McClintock
McCormick
McDowell
McGuire
Messmer
Meuser
Miller (IL)
Miller (OH)
Miller (WV)
Miller-Meeks
Mills
Moolenaar
Moore (AL)
Moore (NC)
Moore (UT)
Moore (WV)
Moran
Murphy
Nehls
Newhouse
Norman
Nunn (IA)
Obernolte
Ogles
Onder
Owens
Palmer
Patronis
Perry
Pfluger
Reschenthaler
Rogers (AL)
Rogers (KY)
Rose
Rouzer
Roy
Rulli
Rutherford
Salazar
Scalise
Schmidt
Schweikert
Scott, Austin
Self
Sessions
Shreve
Simpson
Smith (MO)
Smith (NE)
Smith (NJ)
Smucker
Spartz
Stauber
Stefanik
Steil
Steube
Strong
Stutzman
Taylor
Tenney
Thompson (PA)
Tiffany
Timmons
Turner (OH)
Valadao
Van Drew
Van Duyne
Van Epps
Van Orden
Wagner
Walberg
Weber (TX)
Webster (FL)
Westerman
Wied
Williams (TX)
Wilson (SC)
Wittman
Womack
Yakym
Zinke

NOES—211

Adams
Aguilar
Amo
Ansari
Auchincloss
Balint
Barragán
Beatty
Bell
Bera
Beyer
Bishop
Bonamici
Boyle (PA)
Brown
Brownley
Budzinski
Bynum
Carbajal
Carson
Carter (LA)
Casar
Case
Casten
Castor (FL)
Castro (TX)
Chu
Cisneros
Clark (MA)
Clarke (NY)
Cleaver
Clyburn
Cohen
Conaway
Correa
Costa
Courtney
Craig
Crockett
Crow
Cuellar
Davids (KS)
Davis (IL)
Davis (NC)
Dean (PA)
DeGette
DeLauro
DelBene
Deluzio
DeSaulnier
Dexter
Dingell
Doggett
Elfreth
Escobar
Espaillat
Evans (PA)
Fields
Figures
Fletcher
Foster
Foushee
Frankel, Lois
Friedman
Frost
Garamendi
Garcia (CA)
García (IL)
Garcia (TX)
Gillen
Golden (ME)
Goldman (NY)
Gomez
Gonzalez, V.
Goodlander
Gottheimer
Gray
Green, Al (TX)
Grijalva
Harder (CA)
Hayes
Himes
Horsford
Houlahan
Hoyer
Hoyle (OR)
Huffman
Ivey
Jackson (IL)
Jacobs
Jayapal
Jeffries
Johnson (GA)
Johnson (TX)
Kamlager-Dove
Kaptur
Keating
Kelly (IL)
Kennedy (NY)
Khanna
Krishnamoorthi
Landsman
Larsen (WA)
Larson (CT)
Latimer
Lee (NV)
Lee (PA)
Leger Fernandez
Levin
Liccardo
Lieu
Lofgren
Lynch
Magaziner
Mannion
Massie
Matsui
McBath
McBride
McClain Delaney
McClellan
McCollum
McDonald Rivet
McGarvey
McGovern
McIver
Meeks
Mejia
Menefee
Menendez
Meng
Mfume
Min
Moore (WI)
Morelle
Morrison
Moskowitz
Mrvan
Mullin
Nadler
Neal
Neguse
Norcross
Ocasio-Cortez
Olszewski
Omar
Pallone
Panetta
Pappas
Pelosi
Perez
Peters
Pettersen
Pingree
Pocan
Pou
Pressley
Quigley
Ramirez
Randall
Raskin
Riley (NY)
Rivas
Ross
Ruiz
Ryan
Salinas
Sánchez
Scanlon
Schakowsky
Schneider
Scholten
Schrier
Scott (VA)
Sewell
Sherman
Simon
Smith (WA)
Sorensen
Soto
Stansbury
Stanton
Stevens
Strickland
Subramanyam
Suozzi
Sykes
Takano
Thanedar
Thompson (CA)
Thompson (MS)
Titus
Tlaib
Tokuda
Tonko
Torres (CA)
Torres (NY)
Trahan
Tran
Underwood
Vargas
Vasquez
Veasey
Velázquez
Vindman
Walkinshaw
Wasserman Schultz
Waters
Watson Coleman
Whitesides
Williams (GA)

NOT VOTING—6

Biggs (AZ)
Clyde
Fine
Gosar
Moulton
Wilson (FL)

□ 1439

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MAIN STREET CAPITAL ACCESS ACT

Mr. HILL of Arkansas. Mr. Speaker, pursuant to House Resolution 1438, I call up the bill (H.R. 6955) and ask for its immediate consideration by the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. BOST). Pursuant to House Resolution 1438, in lieu of the amendment in the nature of a substitute recommended by the Committee on Financial Services, printed in the bill, an amendment in the nature of a substitute consisting of the text of Rules Committee Print 119–35 is adopted and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 6955

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Main Street Capital Access Act'' or the ''Main Street Act''.

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

TITLE I—NEW BANK FORMATION AND LOCAL COMMUNITY ACCESS

SEC. 101. PROMOTING NEW BANK FORMATION.

Section 908 of the 21st Century ROAD to Housing Act is amended—

(1) in subsection (b)(2), by striking ''180-day'' and inserting ''90-day'';

(2) in subsection (c)—

(A) in the heading, by inserting ''AND EXTENSION'' after ''STUDY'';

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

(C) by inserting after paragraph (1) the following:

''(2) SAFETY AND SOUNDNESS DETERMINATION; EXTENSION OF PILOT PROGRAM.—

''(A) DETERMINATION.—Not earlier than January 1, 2031, and not later than June 30, 2031, the Federal banking agencies may, jointly, determine that subsections (a) and (b) have had a significant adverse effect on the safety and soundness of qualifying community banks.

''(B) EXTENSION.—Unless the Federal banking agencies make the determination described in subparagraph (A), the authorities under subsections (a) and (b) shall be permanent.

''(C) TERMINATION.—If the Federal banking agencies make the determination described in subparagraph (A)—

''(i) subsections (a) and (b) shall only apply to a qualifying community bank that became an insured depository institution before the date of such determination; and

''(ii) the Federal banking agencies 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, and make such report available to the public, containing such determination and the reasons for such determination.''; and

(3) in subsection (e)(6)(B), by striking ''between January 1, 2026, and December 31, 2028'' and inserting ''on or after January 1, 2026''.

SEC. 102. NEW BANK APPLICATION NUMBERS KNOWLEDGE.

(a) ANNUAL REPORT ON NATIONAL BANK AND FEDERAL SAVINGS ASSOCIATION CHARTER APPLICATIONS.—The Comptroller of the Currency shall publish an annual report that includes the following, or with respect to any equivalent procedure used by the Office of the Comptroller of the Currency includes the following:

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

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

(3) The mean and median times for final approval of such applications.

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

(b) ANNUAL REPORT ON FEDERAL CREDIT UNION CHARTER APPLICATIONS.—The National Credit Union Administration shall publish an annual report that includes the following, or with respect to any equivalent procedure used by the agency includes the following:

(1) The number of Federal credit union charter applications received, approved on a final basis, denied, withdrawn, inactive, or returned pending resubmission.

(2) The mean and median times for final approval of such applications.

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

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

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System shall publish an annual report that includes the following, or with respect to any equivalent procedure used by the Board of Governors includes the following:

(A) The number of applications to become a top-tier depository institution holding company received, approved on a preliminary basis, approved on a final basis, denied, withdrawn, inactive, expired, mooted, returned, returned pending resubmission, or otherwise dispositioned.

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

(C) To the extent practicable, common reasons leading to denial or withdrawal of such applications.

(2) TOP-TIER DEPOSITORY INSTITUTION HOLDING COMPANY DEFINED.—In this subsection, the term ''top-tier depository institution holding company'' means a depository institution holding company (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) that is not controlled by any other depository institution holding company.

(d) ANNUAL REPORT ON FEDERAL DEPOSIT INSURANCE APPLICATIONS.—The Federal Deposit Insurance Corporation shall publish an annual report that includes the following, or with respect to any equivalent procedure used by the Corporation includes the following:

(1) The number of applications for deposit insurance received, approved on a preliminary basis, approved on a final basis, denied, withdrawn, inactive, expired, mooted, returned, returned pending resubmission, or otherwise dispositioned.

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

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

(e) ANNUAL REPORT ON STATE DEPOSITORY INSTITUTION AND STATE CREDIT UNION CHARTER APPLICATIONS.—

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board shall, jointly, and in consultation with State banking regulators and State credit union regulators, publish an annual report that includes the following, or with respect to any equivalent procedure used by such agencies includes the following:

(A) The number of applications for a State depository institution charter received, approved on a preliminary basis, approved on a final basis, denied, withdrawn, inactive, expired, mooted, returned, returned pending resubmission, or otherwise dispositioned.

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

(C) To the extent practicable, common reasons leading to denial or withdrawal of such applications.

(2) DEFINITIONS.—In this subsection:

(A) STATE.—The term ''State'' means any State of the United States, the District of Columbia, and any territory of the United States.

(B) STATE DEPOSITORY INSTITUTION.—The term ''State depository institution'' means—

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

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

SEC. 103. CDFI FUND TRANSPARENCY.

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

''(5) ANNUAL TESTIMONY.—The Secretary of the Treasury (or a designee of the Secretary) shall, at the discretion of the Chair of the Committee on Financial Services of the House of Representatives and the Chair of the Committee on Banking, Housing, and Urban Affairs of the Senate, annually testify before such committees (or a subcommittee of such committees) regarding—

''(A) the operations of the Fund during the previous year;

''(B) steps the Secretary and the Fund are taking to support community development financial institutions through the financial agent mentor-protégé program; and

''(C) steps the Secretary and the Fund are taking to coordinate with regulators to ensure

certification and reporting requirements are appropriately streamlined for community development financial institutions.''.

SEC. 104. CDFI BOND GUARANTEE IMPROVEMENT.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the authority to guarantee bonds under section 114A of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4713a) (commonly referred to as the ''CDFI Bond Guarantee Program'') provides community development financial institutions with a sustainable source of long-term capital and furthers the mission of the Community Development Financial Institutions Fund (established under section 104(a) of such Act (12 U.S.C. 4703(a))) to increase economic opportunity and promote community development investments for underserved populations and distressed communities in the United States.

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

(1) IN GENERAL.—Section 114A of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4713a) is amended—

(A) in subsection (c)(2)—

(i) by striking '', multiplied by an amount equal to the outstanding principal balance of issued notes or bonds''; and

(ii) by inserting ''outstanding'' before ''principal amount'';

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

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

(C) in subsection (g)(1), by striking ''10 basis points'' and inserting ''not fewer than 10 basis points and not more than 15 basis points''; and

(D) in subsection (k), by striking ''September 30, 2014'' and inserting ''December 31, 2028''.

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Riegle Community Development and Regulatory Improvement Act of 1994 (Public Law 103–325; 108 Stat. 2160) is amended by inserting after the item relating to section 114 the following:

''Sec. 114A. Guarantees for bonds and notes issued for community or economic development purposes.''.

(c) REPORT ON THE CDFI BOND GUARANTEE PROGRAM.—Not later than 3 years after the date of enactment of this Act, the Secretary of the Treasury shall issue a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the effectiveness of the CDFI bond guarantee program established under section 114A of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4713a).

TITLE II—TAILORING BANK REGULATION

SEC. 201. TAKING ACCOUNT OF INSTITUTIONS WITH LOW OPERATION RISK.

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

(1) DEFINITIONS.—In this subsection—

(A) the term ''Federal financial institutions regulatory agency'' means the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Bureau of Consumer Financial Protection; and

(B) the term ''regulatory action''—

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

(ii) does not include any action taken by a Federal financial institutions regulatory agency that is solely applicable to an individual institution, including an enforcement action, adjudication, or order.

(2) CONSIDERATION AND TAILORING.—For any regulatory action occurring after the date of enactment of this Act, each Federal financial institutions regulatory agency shall—

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

(B) tailor the regulatory action applicable to a class or type of institution in a manner that limits the regulatory impact, including cost, human resource allocation, and other burdens, on the institution or type of institution as is appropriate for the risk profile and business model involved.

(3) FACTORS TO CONSIDER.—In carrying out the requirements of paragraph (2) with respect to a regulatory action, each Federal financial institutions regulatory agency shall consider—

(A) the aggregate effect of all applicable regulatory actions promulgated by such agency on the ability of institutions to flexibly serve customers of the institutions and local markets on and after the date of enactment of this Act;

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

(C) the statutory provision authorizing the regulatory action, the congressional intent with respect to the statutory provision, and the underlying policy objectives of the regulatory action.

(4) NOTICE OF PROPOSED AND FINAL RULEMAKING.—Each Federal financial institutions regulatory agency shall disclose and document in every notice of proposed rulemaking and in any final rulemaking for a regulatory action how the agency has applied paragraphs (2) and (3).

(5) REPORTS TO CONGRESS.—

(A) AGENCY REPORTING.—Not later than 1 year after the date of enactment of this Act and annually thereafter, each Federal financial institutions regulatory agency shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the specific actions taken to tailor the regulatory actions of the Federal financial institutions regulatory agency pursuant to the requirements of this section.

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

(b) SHORT-FORM CALL REPORTS FOR ALL BANKS ELIGIBLE FOR THE COMMUNITY BANK LEVERAGE RATIO.—The appropriate Federal banking agencies, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813), shall establish a reduced reporting requirement for all banks eligible for the Community Bank Leverage Ratio, as defined in section 201(a) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (12 U.S.C. 5371 note), when making the first and third report of condition of a year as required by section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)).

(c) REPORT TO CONGRESS ON MODERNIZATION OF SUPERVISION.—Not later than 18 months after the date of enactment of this Act, the appropriate Federal banking agencies, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813), in consultation with State bank supervisors, shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the modernization of bank supervision, including the following factors:

(1) Changing bank business models.

(2) Examiner workforce and training.

(3) The structure of supervisory activities within banking agencies.

(4) Improving bank-supervisor communication and collaboration.

(5) The use of supervisory technology.

(6) Supervisory factors uniquely applicable to community banks.

(7) Changes in statutes necessary to achieve more effective supervision.

SEC. 202. SMALL BANK HOLDING COMPANY RELIEF.

Not later than 180 days after the date of the enactment of this Act, the Board of Governors of the Federal Reserve System shall revise appendix C to part 225 of title 12, Code of Federal Regulations (commonly known as the ''Small Bank Holding Company and Savings and Loan Holding Company Policy Statement''), to raise the consolidated asset threshold under that appendix to $6,000,000,000 for any bank holding company or savings and loan holding company.

SEC. 203. TAILORING AND INDEXING ENHANCED REGULATIONS.

(a) PERIODIC ADJUSTMENTS TO THRESHOLDS.—The Financial Stability Act of 2010 (12 U.S.C. 5311 et seq.) is amended by adding at the end the following:

''SEC. 177. PERIODIC ADJUSTMENTS TO THRESHOLDS.

''(a) IN GENERAL.—

''(1) ADJUSTMENT.—Not later than 1 year after the date of enactment of this section, and every 5 years thereafter, the Board of Governors shall increase each threshold described in subsection (b) by the ratio, if greater than 1, of the annual value of the economic indicator selected by the Board of Governors as appropriate for that threshold under paragraph (2)(B) for the calendar year preceding the year in which the adjustment is calculated under this section, to the published annual value of such economic indicator for the calendar year preceding April 1, 2026.

''(2) SELECTION OF ECONOMIC INDICATORS.—Not later than 3 months after the date of enactment of this section, the Board of Governors shall—

''(A) complete a study on the advantages and disadvantages of the use of either nominal United States gross domestic product (as published by the Department of Commerce) or the Consumer Price Index (as published by the Department of Labor) to adjust periodically the quantitative regulatory thresholds described in subsection (b);

''(B) for each threshold described in subsection (b), select either nominal United States gross domestic product (as published by the Department of Commerce) or the Consumer Price Index (as published by the Department of Labor) as appropriate for adjusting such threshold;

''(C) transmit 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—

''(i) all findings and determinations made in carrying out the study required under subparagraph (A); and

''(ii) all selections made under subparagraph (B).

''(b) COVERED THRESHOLDS.—The thresholds described in this subsection are the following:

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

''(2) Each bank holding company total consolidated asset amount in—

''(A) sections 116(a), 121(a), 163(b), 164, 165(a)(1), 165(h)(2), 165(j)(1) of this Act; and

''(B) section 401(f) of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

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

''(c) CURRENCY OF INFORMATION.—The values used in the calculation under subsection (a) shall be, as of the date of the calculation, the values most recently published by the Department of Commerce or Department of Labor, as appropriate.

''(d) ROUNDING.—

''(1) If any amount equal to or greater than $100,000,000,000 determined under subsection (a) for any period is not a multiple of $50,000,000,000, the amount shall be rounded up to the nearest $50,000,000,000.

''(2) If any amount less than $100,000,000,000 determined under subsection (a) for any period is not a multiple of $5,000,000,000, the amount shall be rounded up to the nearest $5,000,000,000.

''(e) PUBLICATION.—Not later than April 5 of any calendar year in which an adjustment is required to be calculated under subsection (a), the Board of Governors shall publish in the Federal Register the amounts as so calculated.

''(f) IMPLEMENTATION PERIOD.—Any increase in amounts determined under subsection (a) shall take effect on January 1 of the year immediately succeeding the calendar year in which the increase is required to be calculated under subsection (a).

''SEC. 178. PERIODIC ADJUSTMENTS TO THRESHOLDS ESTABLISHED BY RULE.

''(a) AGENCY REVIEW.—Not later than June 30, 2026, and the 1st day of each subsequent 5-year period, the Board of Governors, the Comptroller of the Currency, and the Corporation shall, to the extent applicable, review—

''(1) any regulation—

''(A) implementing section 165 of this Act; or

''(B) making specific cross-reference to any regulation of the Board of Governors implementing section 165 of this Act; and

''(2) any asset threshold or other quantitative threshold in such regulations implementing section 165 of this Act, or in such regulations making specific cross-reference to any regulation of the Board of Governors implementing section 165 of this Act, the amount of which is not prescribed by statute.

''(b) MODIFICATIONS REQUIRED.—The Board of Governors, the Comptroller of the Currency, and the Corporation shall modify any such thresholds identified by each review conducted under subsection (a) by the ratio, if greater than 1, of the annual value of the economic indicator selected by the agency as appropriate for that threshold under paragraph (1) for the calendar year preceding the year in which the adjustment is calculated under this section, to the published annual value of such economic indicator for the calendar year preceding the effective date of such threshold, as each respective agency shall determine as appropriate for such regulations. In making such determination, the Board of Governors, the Comptroller of the Currency, and the Corporation shall—

''(1) not later than 3 months after the date of enactment of this subsection, for each threshold identified by each review conducted under subsection (a), select either nominal United States gross domestic product (as published by the Department of Commerce) or the Consumer Price Index (as published by the Department of Labor) as appropriate for adjusting such threshold, and use the values of such selected economic indicator most recently published as of the date of commencement of the review to compute the ratio described in this subsection;

''(2) seek to establish, to the extent feasible, uniform thresholds for use by each such agency, taking into account the entities regulated by each such agency and the purposes for which such threshold was established; and

''(3) seek to adjust such thresholds, to the extent feasible, with rounding consistent with section 177(d) of this Act.

''(c) REPORT.—Upon conclusion of each review required under subsection (a), each of the Board of Governors, the Comptroller of the Currency, and the Corporation shall transmit 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 a description of any modification of any regulation such agency made pursuant to subsection (b).''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is amended by inserting after the item relating to section 176 the following:

''Sec. 177. Periodic adjustments to thresholds.
''Sec. 178. Periodic adjustments to thresholds established by rule.''.

SEC. 204. COMMUNITY BANK REGULATORY TAILORING.

(a) PERIODIC ADJUSTMENTS TO THRESHOLDS.—

(1) IN GENERAL.—

(A) ADJUSTMENT.—By April 1, 2031, and the 1st day of each subsequent 5-year period, the Board of Governors of the Federal Reserve System shall prescribe the amount by which each dollar amount described in subsection (b) shall be increased by the ratio, if greater than 1, of the annual value of the economic indicator selected by the Board of Governors of the Federal Reserve System as appropriate for that dollar amount under subparagraph (B) for the calendar year preceding the year in which the adjustment is calculated under this section, to the published annual value of such economic indicator for the calendar year preceding April 1, 2026.

(B) SELECTION OF ECONOMIC INDICATORS.—Not later than 3 months after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall—

(i) complete a study on the advantages and disadvantages of the use of either nominal United States gross domestic product (as published by the Department of Commerce) or the Consumer Price Index (as published by the Department of Labor) to adjust periodically the dollar amounts described in subsection (b);

(ii) for each dollar amount described in subsection (b), select either nominal United States gross domestic product (as published by the Department of Commerce) or the Consumer Price Index (as published by the Department of Labor) as appropriate for adjusting such dollar amount;

(iii) transmit 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—

(I) all findings and determinations made in carrying out the study required under clause (i); and

(II) all selections made under clause (ii).

(2) CURRENCY OF INFORMATION.—The values used in the calculation under paragraph (1) shall be, as of the date of the calculation, the values most recently published by the Department of Commerce or Department of Labor, as appropriate.

(3) ROUNDING.—

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

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

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

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

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

(F) If any amount less than $10,000,000 but equal to or greater than $1,000,000 determined under paragraph (1) for any period is not a multiple of $500,000, the amount shall be rounded up to the nearest $500,000.

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

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

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

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

(K) If any amount less than $100 but equal to or greater than $10 determined under paragraph (1) for any period is not a multiple of $5, the amount shall be rounded up to the nearest $5.

(L) If any amount less than $10 but equal to or greater than $1 determined under paragraph (1) for any period is not a multiple of $0.50, the amount shall be rounded up to the nearest $0.50.

(4) PUBLICATION.—Not later than April 5 of any calendar year in which an adjustment is required to be calculated under paragraph (1), the Board of Governors of the Federal Reserve System shall publish in the Federal Register the dollar amounts as so calculated.

(5) IMPLEMENTATION PERIOD.—The increase in the dollar amounts shall take effect on January 1 of the year immediately succeeding any calendar year in which an adjustment is required to be calculated under paragraph (1).

(b) DOLLAR AMOUNTS.—The dollar amounts described in this subsection are the dollar amounts described in each of the following:

(1) Section 5(c)(3)(C)(ii) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)(3)(C)(ii)).

(2) Section 809(a) of the Community Reinvestment Act of 1977 (12 U.S.C. 2908(a)).

(3) Sections 202(4), 203(1), and 204 of the Depository Institution Management Interlocks Act (12 U.S.C. 3201 et seq.).

(4) Sections 210(o), 210(r)(1)(A)(i), and section 956(f) Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.).

(5) Sections 202(a)(6), 202(b)(1)(A), 202(c)(1)(A)(iii), 216(b)(2)(B)(iii)(II), 216(f)(2), 216(i)(4)(B), 216(j)(2)(A), and 216(o)(4) of the Federal Credit Union Act (12 U.S.C. 1751 et seq.).

(6) Sections 7(a)(12), 11(p)(1)(A)(i), 36(i)(1)(B), 36(j), 38(b)(2)(A)(ii), and 38(k)(2)(B)(iii) of the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.).

(7) Section 2(10) of the Federal Home Loan Bank Act (12 U.S.C. 1422(10)).

(8) Sections 7(a)(1) and 22(h)(5)(C) of the Federal Reserve Act (12 U.S.C. 221 et seq.).

(9) The second paragraph (3) of section 304(i) (relating to ''Exemption from certain disclosure requirements'') and section 309(a) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2801 et seq.).

(10) Section 5(u)(2)(A) of the Home Owners' Loan Act (12 U.S.C. 1464(u)(2)(A)).

(11) Section 909(a)(1) of the International Lending Supervision Act of 1983 (12 U.S.C. 3908(a)(1)).

(12) Section 3(1)(B)(iv) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2602(1)(B)(iv)).

(13) Section 5136A(a)(2)(D)(ii) of the Revised Statutes of the United States (12 U.S.C. 24a(a)(2)(D)(ii)).

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

TITLE III—FAIR AND TRANSPARENT BANK SUPERVISION

SEC. 301. HALTING UNCERTAIN METHODS AND PRACTICES IN SUPERVISION.

(a) FINDINGS.—Congress finds that—

(1) CAMELS ratings (Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risk) are a critical tool for evaluating the safety and soundness of financial institutions, and the basis for determining significant regulatory matters such as the evaluation for mergers and acquisitions and a bank's deposit insurance premiums;

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

(3) establishing articulable, clear, and reviewable measures for each CAMELS component and their relative weighting in determining composite ratings will promote fairness, consistency, and accountability in supervisory assessments; and

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

(b) AMENDMENTS TO THE CAMELS RATING SYSTEM.—

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

"SEC. 1012. AMENDMENTS TO THE CAMELS RATING SYSTEM.

"(a) IN GENERAL.—The Council shall make recommendations to amend the Uniform Financial Institutions Rating System, and the CAMELS components thereunder, to—

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

"(2) revise the factors affecting each CAMELS component to derive a composite rating that more accurately reflects the material financial condition and risk profile of the financial institutions being rated;

"(3) revise the management component of the CAMELS components to limit the assessment under such component to articulable, clear, and reviewable measures of an institution's management in relation to its risk profile;

"(4) ensure that composite ratings consider the financial institution's compliance with—

"(A) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

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

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

"(D) any other applicable requirements and implementing regulations relating to the prevention of money laundering and terrorist financing; and

"(5) ensure that composite ratings are determined based on a transparent methodology that is limited to the objective criteria established for each CAMELS component.

"(b) RULEMAKING.—Not later than 12 months after the Council makes the recommendations required under subsection (a), the Federal financial institutions regulatory agencies shall, jointly, issue rules to carry out the recommendations described under subsection (a).

"(c) PUBLIC COMMENT PERIOD.—In issuing the rules required under subsection (b), the Federal financial institutions regulatory agencies shall—

"(1) publish a notice of proposed rulemaking with respect to such rules; and

"(2) provide for a public comment period of not less than 90 days.

"(d) RULE OF CONSTRUCTION.—Nothing in this section may be construed to limit the authority of the Federal financial institutions regulatory agencies to take supervisory, adjudicatory, or enforcement actions to ensure the safety and soundness of financial institutions.".

(2) WELL MANAGED DEFINITION.—

(A) BANK HOLDING COMPANY ACT OF 1956.—Section 2(o)(9)(A) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(9)(A)) is amended—

(i) by striking "achievement of" and all that follows through "a CAMEL" and inserting "achievement of a CAMEL";

(ii) by striking "; and" and inserting "; or"; and

(iii) by striking clause (ii).

(B) REVISED STATUTES OF THE UNITED STATES.—Section 5136A(g)(6)(A) of the Revised Statutes of the United States (12 U.S.C. 24a(g)(6)(A)) is amended—

(i) by striking "agency—" and all that follows through "the achievement" and inserting "agency, the achievement";

(ii) by striking "; and" and inserting "; or"; and

(iii) by striking clause (ii).

SEC. 302. FAIR AUDITS AND INSPECTIONS FOR REGULATORS' EXAMS.

(a) TIMELINESS OF EXAMINATIONS AND EXAMINATION REPORTS.—The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.), as amended by section 301(b)(1), is further amended by adding at the end the following:

"SEC. 1013. TIMELINESS OF EXAMINATIONS AND EXAMINATION REPORTS.

"(a) TIMELINESS OF EXAMINATIONS.—A Federal financial institutions regulatory agency shall complete any examination of a financial institution, other than a financial institution subject to a continuous or resident examination program, within 270 days of commencing the examination, except that such period may be extended by the Federal financial institutions regulatory agency by providing written notice to the financial institution describing with particularity the reasons that a longer period is needed.

"(b) FINAL EXAMINATION REPORT.—A Federal financial institutions regulatory agency shall provide a final examination report to a financial institution, other than a financial institution subject to a continuous or resident examination program, not later than 90 days after the later of—

"(1) the exit interview for an examination of the institution; or

"(2) the provision of additional material information by the institution relating to the examination.

"(c) EXIT INTERVIEW REQUIREMENT.—Within 30 days of completing an examination for a financial institution not subject to a continuous or resident examination program, a Federal financial institutions regulatory agency shall conduct an exit interview with the financial institution's senior management or the board of directors, except that such period may be extended by the Federal financial institutions regulatory agency by providing written notice to the institution describing with particularity the reasons that a longer period is needed to complete the exit interview.

"(d) EXAMINATION MATERIALS.—Upon the written request of a financial institution, the Federal financial institutions regulatory agency shall include with the final report an appendix listing all examination or other factual information relied upon by the agency in support of a material supervisory determination.".

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

"SEC. 1014. TIMELINESS OF REQUIRED PRUDENTIAL PRIVATE LETTER RULINGS.

"(a) AUTHORITY AND REGULATION.—

"(1) IN GENERAL.—Each Federal financial institutions regulatory agency shall establish procedures providing that a covered financial institution may, upon application by the covered financial institution and with respect to a covered action, obtain written advice regarding—

"(A) the agency's non-objection to the financial institution conducting a particular activity;

"(B) the agency's interpretation of a law or regulation as applied to a particular matter;

"(C) the agency's interpretation of how generally accepted accounting principles or accounting objectives, standards, and requirements apply to a particular matter; or

"(D) the agency's application of any supervisory guidance, statement of policy, or interpretive rule to a particular matter.

"(2) COVERED ACTION DEFINED.—In this subsection and with respect to a covered financial institution, the term 'covered action' means—

"(A) any action in connection with a regulated activity that the covered financial institution is taking or is intending to take, including—

"(i) entering into a transaction;

"(ii) issuing a product or service; or

"(iii) changing the corporate structure of the covered financial institution; and

"(B) a Federal financial institutions regulatory agency's objection to the covered financial institution commencing or otherwise conducting an activity (including an action described in subparagraph (A)).

"(b) CONTENTS OF REQUEST.—The procedures established under subsection (a) shall provide that a request for written advice made under the procedures shall be in writing and contain—

"(1) the nature of the request;

"(2) applicable facts relating to the matter;

"(3) applicable law, regulations, or generally accepted accounting principles relating to the matter; and

"(4) a summary of the request.

"(c) RESPONSE TO REQUEST.—A Federal financial institutions regulatory agency receiving a request for written advice under subsection (a) shall, not later than 30 days after receiving the request—

"(1) provide the financial institution making the request with written notification confirming receipt of the request and stating whether the request contains all of the information required under subsection (b); and

"(2) if the request does not contain all of the information required under subsection (b)—

"(A) provide the financial institution with an explanation of what information is missing; and

"(B) notify the financial institution that the financial institution may provide the missing information to the agency within 30 days.

"(d) PROVIDING MISSING INFORMATION.—If a Federal financial institutions regulatory agency informs the financial institution under subsection (c) that the request for written advice does not contain all the information required under subsection (b), the financial institution may provide the missing information to the Federal financial institutions regulatory agency within 30 days of the date the financial institution receives the explanation of the missing information under subsection (c).

"(e) DETERMINATION.—A Federal financial institutions regulatory agency receiving a request for written advice under the procedures established under subsection (a) shall provide the financial institution with a written response (or, for purposes of paragraph (3), notify the financial institution that a determination cannot be made)—

"(1) if the initial request contains the information required under subsection (b), not later than the end of the 60-day period beginning on the date the Federal financial institutions regulatory agency notifies the financial institution of the receipt of the request under subsection (c);

''(2) if the initial request does not contain the information required under subsection (b), but the financial institution provides the missing information during the 30-day period described under subsection (d), not later than the end of the 60-day period beginning on the date such missing information is provided; or

''(3) if the initial request does not contain the information required under subsection (b), and the financial institution does not provide the missing information during the 30-day period described under subsection (d), not later than the end of the 60-day period beginning on the end of such 30-day period.

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

''(1) shall be binding on the agency with respect to the financial institution requesting the written advice and the specific facts described in the request;

''(2) may be relied upon by the financial institution requesting the written advice in good faith; and

''(3) shall not be binding on the agency with respect to any other person or institution and shall not be treated as precedent.

''(g) CONFIDENTIALITY AND PRIVILEGE.—

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

''(2) PUBLISHING OF ANONYMIZED OR REDACTED SUMMARIES.—A Federal financial institutions regulatory agency may publish anonymized or redacted summaries of rulings for informational purposes.

''(h) MODIFICATION OR REVOCATION.—A Federal financial institutions regulatory agency may modify or revoke written advice issued under this section only if—

''(1) the requesting financial institution made a material misstatement or omission of fact;

''(2) there has been a change in controlling law; or

''(3) the ruling is inconsistent with a final rule or judicial decision issued after the date the written advice was issued.

''(i) REASONABLE FEES.—Each Federal financial institutions regulatory agency may establish and collect a reasonable fee for the processing and issuance of any written advice issued under this section, and such fee—

''(1) shall be based on the estimated cost to the agency of reviewing, analyzing, and responding to the request;

''(2) may vary based on the complexity of the request or the size of the requesting institution; and

''(3) shall be prescribed by regulation.

''(j) FINALITY.—Written advice issued under the procedures established under this section shall not be construed as a final agency action.''.

(c) OFFICE OF INDEPENDENT EXAMINATION REVIEW.—

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

''SEC. 1015. OFFICE OF INDEPENDENT EXAMINATION REVIEW.

''(a) ESTABLISHMENT.—There is established in the Council an Office of Independent Examination Review (the 'Office').

''(b) BOARD OF INDEPENDENT EXAMINATION REVIEW.—

''(1) IN GENERAL.—The head of the Office shall be the Board of Independent Examination Review, which shall be comprised of 3 members, appointed by the President, by and with the advice and consent of the Senate.

''(2) QUALIFICATIONS.—The President shall appoint 1 member of the Board from each of the following classes of individuals:

''(A) Individuals who have been employed by a Federal financial institutions regulatory agency.

''(B) Individuals who are not, and were not during the previous 5-year period, employed by a Federal financial institutions regulatory agency or a Federal reserve bank and who—

''(i) are a licensed attorney or a certified public accountant authorized to practice under the laws of a State, the District of Columbia, or a territory of the United States;

''(ii) have academic or private sector experience relating to financial services; or

''(iii) have relevant work-related experience in consumer affairs or compliance with consumer protection laws with respect to financial institutions.

''(C) Individuals with at least 10 years private sector financial services senior management-level experience.

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

''(A) is, or was during the previous 2-year period, employed by a Federal financial institutions regulatory agency or a Federal reserve bank; or

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

''(4) CONSULTATION.—In appointing members of the Board, the President shall consult with the Federal financial institutions regulatory agencies and financial institutions.

''(5) TERM.—

''(A) IN GENERAL.—Each member of the Board shall serve for a term of 3 years. Upon the expiration of a member's terms of office, the member shall continue to serve until the member's successor has been confirmed by the Senate.

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

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

''(7) QUORUM.—

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

''(B) INITIAL QUORUM.—During the 6-month period beginning on the date of enactment of this section, 1 member of the Board shall constitute a quorum until the Board has 3 members.

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

''(c) STAFFING.—The Board is authorized to hire staff to support the activities of the Office of Independent Examination Review, and set the salaries of such staff. One-fifth of the costs and expenses of the Office, including the salaries of its employees, shall be paid by each of the Federal financial institutions regulatory agencies. Annual assessments for such share shall be levied by the Council based upon its projected budget for the year, and additional assessments may be made during the year if necessary.

''(d) DUTIES.—The Board shall—

''(1) receive and, at the discretion of the Board, investigate complaints from financial institutions, their representatives, or another entity acting on behalf of such institutions, concerning completed examinations, examination practices, or examination reports;

''(2) hold meetings, at least once every three months and in locations designed to encourage participation from all sections of the United States, with financial institutions, their representatives, or another entity acting on behalf of such institutions, to discuss examination procedures, examination practices, or examination policies;

''(3) review examination procedures of the Federal financial institutions regulatory agencies to ensure that the written examination policies of those agencies are being followed in practice and adhere to the standards for consistency;

''(4) conduct a continuing and regular program of examination quality assurance on a sample for all examination types conducted by the Federal financial institutions regulatory agencies;

''(5) carry out an independent review of any supervisory appeal initiated under section 1016; and

''(6) report annually to the Committee on Financial Services of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Council, on the reviews carried out pursuant to paragraphs (3) and (5), including compliance with the requirements set forth in section 1014 regarding timeliness of examination reports, and the Board's recommendations for improvements in examination procedures, practices, and policies.

''(e) CONFIDENTIALITY.—

''(1) IN GENERAL.—The Board and the Council shall keep confidential—

''(A) all meetings, discussions, and information provided by financial institutions and Federal financial institutions regulatory agencies that involve confidential supervisory information or privileged information;

''(B) all information and communications exchanged between a financial institution and the Office of Independent Examination Review; and

''(C) all information and communications exchanged between a Federal financial institutions regulatory agency and the Office of Independent Examination Review.

''(2) SUBMISSION OF INFORMATION DOES NOT CONSTITUTE A WAIVER.—Section 18(x) of the Federal Deposit Insurance Act (12 U.S.C. 1828(x)) and section 205(j) of the Federal Credit Union Act (12 U.S.C. 1785(j)) shall apply to the submission of information to the Board by a financial institution or a Federal financial institutions regulatory agency to the same extent as such sections 18(x) and 205(j) apply to the submission of information described in such sections 18(x) and 205(j).

''(3) SHARING OF INFORMATION WITHOUT WAIVING PRIVILEGE.—The Board shall be considered a 'covered agency' for purposes of section 11(t) of the Federal Deposit Insurance Act (12 U.S.C. 1821(t)).''.

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

(A) in paragraph (2), by striking ''and'' at the end; and

(B) by adding at the end the following:

''(4) the term 'Board' means the Board of Independent Examination Review established under section 1015(b);

''(5) the term 'material supervisory determination' has the meaning given such term in section 309(c) of the Riegle Community Development and Regulatory Improvement Act of 1994;

''(6) the term 'insured depository institution' has the meaning given that term in section 3 of the Federal Deposit Insurance Act; and

''(7) the term 'insured credit union' has the meaning given that term in section 101 of the Federal Credit Union Act.''.

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

''SEC. 1016. RIGHT TO INDEPENDENT REVIEW OF MATERIAL SUPERVISORY DETERMINATIONS.

''(a) IN GENERAL.—A financial institution shall have the right to obtain an independent review, as described in this section, of a material supervisory determination contained in a final report of examination. A Federal financial institutions regulatory agency and the Board may not conduct concurrent reviews.

''(b) NOTICE.—

''(1) TIMING.—A financial institution seeking review of a material supervisory determination under this section shall file a written notice

with the Board within 30 days after receiving the final report of examination that is the subject of such review.

''(2) EXTENSION.—The institution may file a written request with the Board for an extension of the 60-day time period described under paragraph (1), which shall state good cause for granting the extension. Such request shall be granted in the sole discretion of the Board.

''(3) IDENTIFICATION OF DETERMINATION.—The written notice shall—

''(A) identify the material supervisory determination that is the subject of the requested independent examination review;

''(B) state the reasons why the institution believes that the material supervisory determination is incorrect or should otherwise be modified; and

''(C) include—

''(i) a clear and complete statement of all relevant facts and issues;

''(ii) all arguments that the institution wishes to present; and

''(iii) all relevant and material documents in the possession of the institution that the institution wishes to be considered.

''(4) INFORMATION MADE AVAILABLE TO INSTITUTION.—A financial institution seeking a review of a material supervisory determination may, not later than 7 days after receiving the final examination report, request that the Federal financial institutions regulatory agency that made the material supervisory determination provide the financial institution with all examination and factual information relied upon by the Federal financial institutions regulatory agency in making the material supervisory determination. The Federal financial institutions regulatory agency shall provide such information to the financial institution not later than 14 days after receiving the request.

''(5) SUBMISSION OF RECORD.—After receiving a written notice of review from a financial institution under this subsection, the Board shall direct the Federal financial institutions regulatory agency that made the material supervisory determination under review to file with the Board the supervisory record of the examination resulting in the material supervisory determination under review.

''(c) DETERMINATION; RIGHT TO HEARING.—

''(1) IN GENERAL.—The Board shall—

''(A) determine the merits on the record, including whether the material supervisory determination being reviewed should be upheld, canceled, or modified; or

''(B) at the election of the financial institution, conduct a hearing, which shall take place not later than 60 days after the petition for review is received by the Board, except that such 60-day period may be extended if both the financial institution and the Board agree to such extension.

''(2) RIGHT TO OBTAIN TESTIMONY.—A financial institution electing for a hearing under paragraph (1)(B) shall have the right the obtain testimony under oath from agency employees and obtain documents and other evidence at the hearing, or in advance of the hearing, according to procedures instituted by the Board consistent with those set forth under sections 556 and 557 of title 5, United States Code.

''(3) BASIS OF DECISION.—The Board shall issue a written decision based upon the record of the examination, supplemented by the record established before the Board and at any hearing.

''(4) STANDARD OF REVIEW.—The Board's review of a material supervisory determination being reviewed under this subsection shall be de novo, and the Board shall not defer to the opinions of the examiners or the Federal financial institutions regulatory agency, but shall independently determine the appropriateness of the material supervisory determination based upon the relevant statutes, regulations, other appropriate guidance, and the evidentiary record.

''(5) POLICY MATTERS.—The Board shall conduct reviews under this section applying the policies, regulations, and interpretations of the Federal financial institutions regulatory agency that made the material supervisory determination under review in effect at the time the material supervisory determination was made.

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

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

''(2) be deemed final and shall bind the agency whose supervisory determination was the subject of the review and the financial institution requesting the review.

''(e) REFERRAL OF VIOLATIONS.—If the Board, in carrying out this section, determines that a financial institution has violated a law or regulation, the Board shall refer such determination to the applicable Federal financial institutions regulatory agency.

''(f) ANNUAL REPORT.—

''(1) IN GENERAL.—The Board shall report annually to the Committee on Financial Services of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Council on actions taken under this section, including the types of issues that the Board has reviewed and the results of those reviews, including information on each final determination with respect to a material supervisory determination.

''(2) CONFIDENTIALITY.—In reporting under paragraph (1), the Board shall redact information about individual financial institutions and any confidential supervisory information or privileged information shared by financial institutions, and shall anonymize any un-redacted information that could, in the aggregate, identify a financial institution.

''(g) RETALIATION PROHIBITED.—

''(1) IN GENERAL.—A Federal financial institutions regulatory agency may not—

''(A) retaliate against a financial institution, including service providers, or any institution-affiliated party, for exercising appellate rights under this section; or

''(B) delay or deny any agency action that would benefit a financial institution or any institution-affiliated party on the basis that an appeal under this section is pending under this section.

''(2) RETALIATION.—For purposes of this subsection, retaliation includes delaying consideration of, or withholding approval of, any request, notice, or application that otherwise would have been approved, but for the exercise of a financial institution's rights under this section.

''(h) RULEMAKING.—The Board shall issue rules, consistent with subchapter II of chapter 5 of title 5, United States Code (commonly referred to as the 'Administrative Procedure Act'), to establish procedures for hearings described under this section, including that—

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

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

''(3) the Board may ask questions of any person participating in the hearing;

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

''(5) the Board shall have a verbatim transcript of the hearing prepared.

''(i) RULE OF CONSTRUCTION.—Nothing in this section may be construed—

''(1) to affect the right of a Federal financial institutions regulatory agency to take enforcement or other supervisory actions related to a material supervisory determination under review under this section; or

''(2) to prohibit the review under this section of a material supervisory determination with respect to which there is an ongoing enforcement or other supervisory action.''.

(e) ADDITIONAL AMENDMENTS.—

(1) REGULATORY APPEALS PROCESS, OMBUDSMAN, AND ALTERNATIVE DISPUTE RESOLUTION.—

(A) IN GENERAL.—Section 309 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4806) is amended—

*(i) in the heading, by striking ''***REGULATORY APPEALS PROCESS, OMBUDSMAN,***'' and inserting ''***OMBUDSMAN***'' (and by conforming the item relating to such section in the table of contents accordingly);*

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

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

(iv) in subsection (b), as so redesignated—

(I) in paragraph (2)—

(aa) in subparagraph (B), by striking ''and'' at the end;

(bb) in subparagraph (C), by striking the period and inserting ''; and''; and

(cc) by adding at the end the following:

''(D) ensure that appropriate safeguards exist for protecting any party from retaliation by any agency for exercising rights under this subsection.''; and

(II) by adding at the end the following:

''(6) RETALIATION.—For purposes of this subsection, retaliation includes delaying consideration of, or withholding approval of, any request, notice, or application that otherwise would have been approved, but for the exercise of a financial institution's rights under this section.''; and

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

(I) in clause (ii), by striking ''; and'' and inserting a semicolon;

(II) in clause (iii), by striking ''; and'' and inserting a semicolon; and

(III) by adding at the end the following:

''(iv) any issue specifically listed in an exam report as a matter requiring attention by the institution's management or board of directors; and

''(v) any suspension or removal of an institution's status as eligible for expedited processing of applications, requests, notices, or filings on the grounds of a supervisory or compliance concern, regardless of whether that concern has been cited as a basis for a material supervisory determination or matter requiring attention in an examination report, provided that the conduct at issue did not involve violation of any criminal law; and''.

(B) EFFECT.—Nothing in this subsection affects the authority of a Federal banking agency (as defined in section 304(b)) to take enforcement or other supervisory action.

(2) FEDERAL CREDIT UNION ACT.—Section 205(j) of the Federal Credit Union Act (12 U.S.C. 1785(j)) is amended by inserting ''the Bureau of Consumer Financial Protection,'' before ''the Administration'' each place that term appears.

(3) FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL ACT.—The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.) is amended—

(A) in section 1003 (12 U.S.C. 3302)—

(i) by striking paragraph (1) and inserting the following:

''(1) the term 'Federal financial institutions regulatory agencies'—

''(A) means the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the National Credit Union Administration; and

''(B) includes the Bureau of Consumer Financial Protection for purposes of sections 1012 through 1015;''; and

(ii) in paragraph (3), by striking the semicolon at the end and inserting '', except that for purposes of sections 1013 through 1016, the term 'financial institution' does not include a credit union that is not an insured credit union;'';

(B) in section 1004(a)(4) (12 U.S.C. 3303), by striking ''Consumer Financial Protection Bureau'' and inserting ''Bureau of Consumer Financial Protection''; and

(C) in section 1005 (12 U.S.C. 3304)—

(i) by striking ''One-fifth'' and inserting ''One-fourth''; and

(ii) by inserting ''described under section 1003(1)(A)'' after ''agencies''.

(f) ELECTION OF FORUM FOR REVIEW OF SUPERVISORY ENFORCEMENT.—

(1) FEDERAL DEPOSIT INSURANCE ACT.—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended—

(A) in subsection (b), by adding at the end the following:

''(11) HEARING.—With respect to any notice properly issued and served upon a depository institution or institution-affiliated party under this subsection, such depository institution or institution-affiliated party shall be afforded a hearing before—

''(A) the appropriate Federal banking agency; or

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

(B) in subsection (e), by adding at the end the following:

''(8) HEARING.—With respect to any notice properly issued and served upon an institution-affiliated party under this subsection, such institution-affiliated party shall be afforded a hearing before—

''(A) the appropriate Federal banking agency; or

''(B) if such party submits a request for such hearing and forum within 20 days after the issuance of the notice, the appropriate United States district court, and that court shall have jurisdiction to adjudicate all claims and requested remedies stated in the notice, including those authorized under this subsection.'';

(C) in subsection (h)—

(i) in paragraph (1), by striking ''(other than the hearing provided for in subsection (g)(3) of this section)'' and inserting ''(other than the hearing provided for in subsection (b)(11)(B), (e)(8)(B), (g)(3), or (i)(2)(H)(ii))''; and

(ii) by adding at the end the following:

''(4) Any hearing provided for in subsection (b)(11)(B), (e)(8)(B), or (i)(2)(H)(ii) shall be subject to the jurisdiction, powers, and equitable authority of the district court and be governed by the Federal Rules of Civil Procedure and the Federal Rules of Evidence.

''(5) Any final decision of a United States district court made pursuant to a respondent's election under subsection (b)(11)(B), (e)(8)(B), or (i)(2)(H)(ii) shall be reviewable in the appropriate court of appeals in the same manner and to the same extent as any other civil action to which the United States is a party.'';

(D) in subsection (i)(2)—

(i) by amending subparagraph (E)(ii) to read as follows:

''(ii) FINALITY OF ASSESSMENT.—If, with respect to any assessment under clause (i), a hearing is not requested or an election is not made and timely noticed pursuant to subparagraph (H) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.'';

(ii) by amending subparagraph (H) to read as follows:

''(H) HEARING.—The insured depository institution or institution-affiliated party against whom any penalty is assessed under this paragraph shall be afforded a hearing before—

''(i) an agency, if such institution or person submits a request for such hearing within 20 days after the issuance of the notice of assessment; or

''(ii) the appropriate United States district court, if such institution or person submits a request for such hearing and forum within 20 days after the issuance of the notice of assessment.''; and

(iii) by amending subparagraph (I)(ii) to read as follows:

''(ii) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under clause (i), except a civil action tried in a United States district court pursuant to subsection (b)(11)(B), (e)(8)(B), or (i)(2)(H)(ii), the validity and appropriateness of the penalty shall not be subject to review.''; and

(E) by adding at the end the following:

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

''(1) limit the authority of a Federal banking agency to initiate an administrative enforcement action; or

''(2) impair the validity of any consent order.''.

(2) FEDERAL CREDIT UNION ACT.—Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended—

(A) in subsection (e), by adding at the end the following:

''(5) HEARING.—With respect to any notice properly issued and served upon an insured credit union, credit union which has insured accounts, or an institution-affiliated party under this subsection, such insured credit union, credit union which has insured accounts, or institution-affiliated party shall be afforded a hearing before—

''(A) the Administration; or

''(B) if such insured credit union, credit union which has insured accounts, or institution-affiliated party submits a request within 20 days after the issuance of the notice, the appropriate United States district court, and that court shall have jurisdiction to adjudicate all claims and requested remedies stated in the notice of charges, including those authorized under this subsection.'';

(B) in subsection (g), by adding at the end the following:

''(8) HEARING.—With respect to any notice properly issued and served upon an institution-affiliated party under this subsection, such institution-affiliated party shall be afforded a hearing before—

''(A) the Administration; or

''(B) if such institution-affiliated party submits a request within 20 days after the issuance of the notice, the appropriate United States district court, and that court shall have jurisdiction to adjudicate all claims and requested remedies stated in the notice of charges, including those authorized under this subsection.'';

(C) in subsection (j)—

(i) in paragraph (1), by striking ''(other than the hearing provided for in subsection (i)(3) of this section)'' and inserting ''(other than the hearing provided for in subsection (e)(5)(B), (g)(8)(B), (i)(3), or (k)(2)(H)(ii))''; and

(ii) by adding at the end the following:

''(4) Any hearing provided for in subsection (e)(5)(B), (g)(8)(B), (i)(3), or (k)(2)(H)(ii) shall be subject to the jurisdiction, powers, and equitable authority of the district court and be governed by the Federal Rules of Civil Procedure and the Federal Rules of Evidence.

''(5) Any final decision of a United States district court made pursuant to a respondent's election under subsection (e)(5)(B), (g)(8)(B), (i)(3), or (k)(2)(H)(ii) shall be reviewable in the appropriate court of appeals in the same manner and to the same extent as any other civil action to which the United States is a party.'';

(D) in subsection (k)(2)—

(i) by amending subparagraph (E)(ii) to read as follows:

''(ii) FINALITY OF ASSESSMENT.—If, with respect to any assessment under clause (i), a hearing is not requested or an election is not made and timely noticed pursuant to subparagraph (H) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.'';

(ii) by amending subparagraph (H) to read as follows:

''(H) HEARING.—The insured credit union or institution-affiliated party against whom any penalty is assessed under this paragraph shall be afforded a hearing before—

''(i) the Administration, if such insured credit union or institution-affiliated party submits a request for such hearing within 20 days after the issuance of the notice of assessment; or

''(ii) the appropriate United States district court, if such insured credit union or institution-affiliated party submits a request for such hearing and forum within 20 days after the issuance of the notice of assessment.''; and

(iii) by amending subparagraph (I)(ii) to read as follows:

''(ii) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under clause (i), except a civil action tried in a United States district court pursuant to subsection (e)(5)(B), (g)(8)(B), or (k)(2)(H)(ii), the validity and appropriateness of the penalty shall not be subject to review.''; and

(E) by adding at the end the following:

''(x) SAVINGS CLAUSE.—Nothing in subsection (e)(5)(B), (g)(8)(B), or (k)(2)(H)(ii) shall be construed to—

''(1) limit the authority of the Administration to initiate an administrative enforcement action; or

''(2) impair the validity of any consent order.''.

SEC. 303. SUPERVISORY MODIFICATIONS FOR APPROPRIATE RISK-BASED TESTING.

(a) EXAMINATION RELIEF FOR CERTAIN WELL MANAGED AND WELL CAPITALIZED FINANCIAL INSTITUTIONS.—

(1) INSURED DEPOSITORY INSTITUTIONS.—Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)) is amended by adding at the end the following:

''(11) EXAMINATION RELIEF FOR CERTAIN WELL MANAGED AND WELL CAPITALIZED INSURED DEPOSITORY INSTITUTIONS.—

''(A) IN GENERAL.—Notwithstanding paragraphs (1) and (2), the following shall apply to a well managed and well capitalized insured depository institution with $6,000,000,000 or less in consolidated assets:

''(i) ALTERNATING LIMITED-SCOPE EXAMINATIONS.—After an insured depository institution receives a full-scope, on-site examination from the appropriate Federal banking agency, the next examination of the insured depository institution by the appropriate Federal banking agency shall be a limited-scope examination, as determined by the appropriate Federal banking agency.

''(ii) COMBINED EXAMINATIONS.—If an insured depository institution is otherwise subject to separate safety and soundness examinations, consumer compliance examinations, and information technology and cybersecurity examinations, the appropriate Federal banking agency shall, upon request of the insured depository institution, combine two or three such examinations, as specified by the insured depository institution, and carry them out at the same time.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to an insured depository institution if—

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

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

''(C) RULEMAKING.—Not later than 12 months after the date of enactment of this paragraph, the Federal banking agencies shall issue rules to carry out subparagraph (A), including, with respect to an insured depository institution described under subparagraph (A), to—

''(i) establish procedures for the limited-scope examinations described in subparagraph (A)(i);

''(ii) establish procedures for reviewing insured depository institutions described under subparagraph (A), that—

''(I) experience material changes in financial condition or operational risk profile between scheduled examinations; or

''(II) have failed to comply with Federal or State banking laws and regulations; and

''(iii) balance the goals of streamlining the examination cycle for individual insured depository institutions and reducing unnecessary regulatory burdens while maintaining sufficient oversight to ensure the continued safety and soundness of the insured depository institutions and compliance with all applicable laws and regulations.

''(D) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed to limit the authority of a Federal banking agency to conduct off-site monitoring, targeted reviews, or additional full-scope, on-site examinations of an insured depository institution if the Federal banking agency determines such monitoring, reviews, or examinations are appropriate to ensure safety and soundness or compliance with applicable laws.

''(E) DEFINITIONS.—In this paragraph:

''(i) CONSUMER COMPLIANCE EXAMINATION.—The term 'consumer compliance examination' means an examination to assess compliance with the requirements of Federal consumer financial law (as such term is defined in section 1002 of the Consumer Financial Protection Act of 2010).

''(ii) WELL CAPITALIZED.—The term 'well capitalized' has the meaning given that term in section 38(b).

''(iii) WELL MANAGED.—With respect to an insured depository institution, the term 'well managed' means that, when the institution was most recently examined by the appropriate Federal banking agency, the institution was found to be well managed, and the institution's composite condition was found to be satisfactory or outstanding.''.

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

''(h) EXAMINATION RELIEF FOR CERTAIN WELL MANAGED AND WELL CAPITALIZED INSURED CREDIT UNIONS.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the following shall apply to a well managed and well capitalized insured credit union with $6,000,000,000 or less in consolidated assets:

''(A) ALTERNATING LIMITED-SCOPE EXAMINATIONS.—After an insured credit union receives a full-scope, on-site examination from the National Credit Union Administration, the next examination of the insured credit union by the National Credit Union Administration shall be a limited-scope examination, as determined by the National Credit Union Administration.

''(B) COMBINED EXAMINATIONS.—If an insured credit union is otherwise subject to separate safety and soundness examinations, consumer compliance examinations, and information technology and cybersecurity examinations, the National Credit Union Administration shall, upon request of the insured credit union, combine two or three such examinations, as specified by the insured credit union, and carry them out at the same time.

''(2) EXCEPTION.—Paragraph (1) shall not apply to an insured credit union if the insured credit union is currently subject to a formal enforcement proceeding or order by the National Credit Union Administration.

''(3) RULEMAKING.—Not later than 12 months after the date of enactment of this subsection, the National Credit Union Administration shall issue rules to carry out paragraph (1), including, with respect to an insured credit union described under paragraph (1), to—

''(A) establish procedures for the limited-scope examinations described in paragraph (1)(A);

''(B) establish procedures for reviewing insured credit unions that—

''(i) experience material changes in financial condition or operational risk profile between scheduled examinations; or

''(ii) have failed to comply with Federal or State banking laws and regulations; and

''(C) balance the goals of streamlining the examination cycle for individual insured credit unions and reducing unnecessary regulatory burdens while maintaining sufficient oversight to ensure the continued safety and soundness of the insured credit unions and compliance with all applicable laws and regulations.

''(4) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to limit the authority of the National Credit Union Administration to conduct off-site monitoring, targeted reviews, or additional full-scope, on-site examinations of an insured credit union if the National Credit Union Administration determines such monitoring, reviews, or examinations are appropriate to ensure safety and soundness or compliance with applicable laws.

''(5) DEFINITIONS.—In this paragraph:

''(A) CONSUMER COMPLIANCE EXAMINATION.—The term 'consumer compliance examination' means an examination to assess compliance with the requirements of Federal consumer financial law (as such term is defined in section 1002 of the Consumer Financial Protection Act of 2010).

''(B) WELL CAPITALIZED.—The term 'well capitalized' has the meaning given that term in section 216(c).

''(C) WELL MANAGED.—With respect to an insured credit union, the term 'well managed' means that, when the credit union was most recently examined by the National Credit Union Administration, the credit union was found to be well managed, and the credit union's composite condition was found to be satisfactory or outstanding.''.

(b) EXAMINATION PRACTICES.—

(1) INSURED DEPOSITORY INSTITUTIONS.—Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)), as amended by subsection (a)(1), is further amended by adding at the end the following:

''(12) EXAMINATION PRACTICES.—With respect to on-site examination of an insured depository institution with less than $6,000,000,000 in total assets, the appropriate Federal banking agency shall—

''(A) ensure the examination is led by, to the maximum extent practicable, an examiner with significant experience as an examiner;

''(B) make every effort, to the maximum extent practicable, to minimize the number of examiners utilized and the amount of time spent at the institution to carry out the examination;

''(C) make every effort, to the maximum extent practicable, to schedule the examination at a time that is convenient for the institution; and

''(D) to the maximum extent practicable, give the institution advance notice of issues expected to be covered in the examination.

''(13) REPORT.—In its annual report to Congress, each Federal banking agency shall include—

''(A) information on how the agency is complying with paragraphs (11) and (12); and

''(B) aggregate data summarizing the agency's examination practices with respect to insured depository institutions with less than $6,000,000,000 in total assets, including—

''(i) the average experience of examiners, including the average number of years of examiner experience of those who lead on-site examinations;

''(ii) the average number of examiners utilized; and

''(iii) the average amount of time the agency spends visiting such institutions for on-site examinations.''.

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

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

''(1) ensure the examination is led by, to the maximum extent practicable, an examiner with significant experience as an examiner;

''(2) make every effort, to the maximum extent practicable, to minimize the number of examiners utilized and the amount of time spent at the credit union to carry out the examination;

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

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

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

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

''(2) aggregate data summarizing the Administration's examination practices with respect to insured credit unions with less than $6,000,000,000 in total assets, including—

''(A) the average experience of examiners, including the average number of years of examiner experience of those who lead on-site examinations;

''(B) the average number of examiners utilized; and

''(C) the average amount of time the Administration spends visiting such credit unions for on-site examinations.''.

SEC. 304. FINANCIAL INTEGRITY AND REGULATION MANAGEMENT.

(a) FINDINGS.—Congress finds that—

(1) the primary objective of financial regulation and supervision by the Federal banking agencies is to promote safety and soundness of depository institutions;

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

(3) financial service providers are private entities entitled to provide services to whichever customers they so choose, provided that those decisions do not violate the law;

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

(5) the use of reputational risk in supervisory frameworks encourages Federal banking agencies to regulate depository institutions based on the subjective view of negative publicity and provides cover for the agencies to implement their own political agenda unrelated to the safety and soundness of a depository institution;

(6) Federal banking agencies have in fact used reputational risk to limit access of federally legal businesses and law-abiding citizens to financial services in 2018 when the Federal Deposit Insurance Corporation acknowledged that the agency used reputational risk reviews to limit access to financial services by certain industries, commonly known as ''Operation Choke Point''; and

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

(b) DEFINITIONS.—In this section:

(1) DEPOSITORY INSTITUTION.—The term ''depository institution''—

(A) has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(B) includes a depository institution holding company, as such term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

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

(2) FEDERAL BANKING AGENCY.—The term ''Federal banking agency''—

(A) has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) includes—

(i) the National Credit Union Administration; and

(ii) the Bureau of Consumer Financial Protection.

(3) FOREIGN TERRORIST ORGANIZATION.—The term ''foreign terrorist organization'' means a foreign organization that is designated by the Secretary of State in accordance with section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

(4) REPUTATIONAL RISK.—The term ''reputational risk'' means the potential that negative publicity or negative public opinion regarding a depository institution's business practices, whether true or not, will cause a decline in confidence in the institution or a decline in the customer base, costly litigation, or revenue reductions or otherwise adversely impact the depository institution. The previous sentence does not apply to negative publicity or negative public opinion regarding an institution's business practices where such practices involve unlawful transactions in connection with state sponsors of terrorism or foreign terrorist organizations.

(5) STATE SPONSORS OF TERRORISM.—The term ''state sponsors of terrorism'' means a country, the government of which has been determined by the Secretary of State to have repeatedly provided support for acts of international terrorism, for purposes of—

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

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

(C) section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)); or

(D) any other provision of law.

(c) STUDY ON REPUTATIONAL RISK.—Not later than 1 year after the date of the enactment of this Act, each Federal banking agency shall—

(1) carry out a study to evaluate the use of reputational risk in the supervision of depository institutions; and

(2) determine whether the removal of reputational risk in the supervision of depository institutions would threaten the safety and soundness of those depository institutions.

(d) REMOVAL OF REPUTATIONAL RISK AS A CONSIDERATION IN THE SUPERVISION OF DEPOSITORY INSTITUTIONS.—If a Federal banking agency determines, under subsection (c), that the removal of reputational risk in the supervision of depository institutions would not threaten the safety and soundness of those depository institutions, the Federal banking agency shall remove from any guidance, rule, examination manual, or similar document established by the agency any reference to reputational risk, or any term substantially similar, regarding the supervision of depository institutions such that reputational risk, or any term substantially similar, is no longer taken into consideration by the Federal banking agency when examining and supervising a depository institution.

(e) PROHIBITION.—If a Federal banking agency determines, under subsection (c), that the removal of reputational risk in the supervision of depository institutions would not threaten the safety and soundness of those depository institutions, the agency may not engage in rulemaking, the issuance of guidance, supervision activities, or enforcement activities related to the reputational risk of a depository institution or the managing of reputational risk by a depository institution, including—

(1) establishing any rule, regulation, requirement, standard, or supervisory expectation concerning or related to the reputational risk of a depository institution, or the management thereof, whether binding or not;

(2) conducting any examination, assessment, data collection, or other supervisory exercise concerning or related to reputational risk of a depository institution, or the management thereof;

(3) issuing any examination finding, supervisory criticism, or other supervisory or examination communication concerning or related to reputational risk of a depository institution, or the management thereof;

(4) making any supervisory ratings decision or determination that is based, in whole or in part, on any matter concerning or related to reputational risk of a depository institution, or the management thereof; and

(5) taking any formal or informal enforcement action that is based, in whole or in part, on any matter concerning or related to reputational risk of a depository institution, or the management thereof.

(f) REPORTS.—Not later than 180 days after the date of enactment of this Act, each Federal banking agency shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that—

(1) confirms implementation of this section; and

(2) describes any changes made to internal policies as a result of this section.

TITLE IV—REGULATORY ACCOUNTABILITY AND TRANSPARENCY

SEC. 401. FDIC BOARD ACCOUNTABILITY.

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

(1) by striking ''Consumer Financial Protection Bureau'' each place such term appears and inserting ''Bureau of Consumer Financial Protection'';

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

''(C) 3 of whom shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who are citizens of the United States, 1 of whom shall have State bank supervisory experience, and separately 1 of whom shall have demonstrated primary experience working in or supervising depository institutions having less than $17,000,000,000 in total assets.''; and

(3) in subsection (c)—

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

(B) by adding at the end the following:

''(4) MAXIMUM LENGTH OF SERVICE.—Notwithstanding any other provision of this Act, no person shall serve as a member for more than twelve years in total.''.

SEC. 402. STOP AGENCY FIAT ENFORCEMENT OF GUIDANCE.

(a) IN GENERAL.—Each financial agency shall include a guidance clarity statement as described in subsection (b) on any guidance issued by that financial agency on and after the date of the enactment of this Act.

(b) GUIDANCE CLARITY STATEMENT.—A guidance clarity statement required under subsection (a) shall be displayed prominently on the first page of the document and shall include the following: ''This guidance does not have the force and effect of law and therefore does not establish any rights or obligations for any person and is not binding on the agency or the public. If this guidance suggests how regulated entities may comply with applicable statutes or regulations, noncompliance with this guidance does not conclusively establish a violation of applicable law.''.

(c) DEFINITIONS.—In this section:

(1) FINANCIAL AGENCY.—The term ''financial agency'' means the following:

(A) The Bureau of Consumer Financial Protection.

(B) The Department of Housing and Urban Development.

(C) The Department of the Treasury.

(D) The Federal Deposit Insurance Corporation.

(E) The Federal Housing Finance Agency.

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

(G) The National Credit Union Administration.

(H) The Office of the Comptroller of the Currency.

(I) The Securities and Exchange Commission.

(2) GUIDANCE.—The term ''guidance'' means a financial agency statement of general applicability, intended to have a future effect on the behavior of regulated parties, that sets forth a policy on a statutory, regulatory, or technical issue, or an interpretation of a statute or regulation, but does not include—

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

(B) a rule exempt from rulemaking requirements under section 553(a) of title 5, United States Code;

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

(D) a decision of a financial agency adjudication under section 554 of title 5, United States Code, or any similar statutory provision;

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

(F) internal executive branch legal advice or legal opinions addressed to executive branch officials.

SEC. 403. REGULATORY EFFICIENCY, VERIFICATION, ITEMIZATION, AND ENHANCED WORKFLOW.

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

(1) by striking ''appropriate Federal banking agency'' each place such term appears and inserting ''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;

''(B) assesses the effects of such regulations on the availability of financial products and services to financial and nonfinancial firms;

''(C) assesses the impact of such regulations on credit availability and financial market liquidity in United States financial markets;

''(D) assess the effects of such regulations on consumer protection;

''(E) assesses the balance of benefits and costs of such regulations with respect to the safety and soundness of the United States financial system and overall economic activity in the United States;

''(F) to the extent practicable, quantifies the direct and indirect economic costs imposed by such regulations; and

''(G) includes recommendations to streamline or eliminate duplicative, outdated, and unnecessarily burdensome regulations.'';

(5) in subsection (c)—

(A) by striking ''subsection (b)(2)'' and inserting ''subsection (b)(1)(B), and the internal review under subsection (b)(2),''; and

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

(6) in subsection (e)—

(A) in paragraph (1), by striking ''and'' at the end;

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

(C) by inserting after paragraph (1) the following:

''(2) a summary of the findings and determinations of each Federal financial institutions regulatory agency of the internal review conducted by the Federal financial institutions regulatory agency under subsection (b)(2); and''; and

(D) in paragraph (3), as so redesignated, by striking ''the regulatory burdens associated with such issues by regulation'' and inserting ''the regulatory burdens associated with the issues identified by public comments received by the Council and the Federal financial institutions regulatory agencies, as well as the regulatory burdens identified by each Federal financial institutions regulatory agency through the internal reviews conducted under subsection (b)(2), by regulation''; and

(7) by adding at the end the following:

''(f) FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCY DEFINED.—The term 'Federal financial institutions regulatory agency' has the meaning given that term in section 1003 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3302).''.

TITLE V—STRENGTHENING LOCAL BANK FUNDING

SEC. 501. BRINGING THE DISCOUNT WINDOW INTO THE 21ST CENTURY.

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

''(11) REVIEW OF DISCOUNT WINDOW OPERATIONS.—

''(A) IN GENERAL.—Not later than 60 days after the date of enactment of this paragraph, the Board of Governors shall commence a review of the discount window lending programs of the Federal reserve banks (the 'discount window'), and shall complete such review not later than 240 days after the date of enactment of this paragraph.

''(B) CONTENTS.—The review required by subparagraph (A) shall include a consideration of—

''(i) the effectiveness of the discount window in providing liquidity to financial institutions, including in times of financial stress;

''(ii) whether the technology infrastructure, including means of communications, are sufficient to support the timely provision of liquidity, including in times of financial stress;

''(iii) the effectiveness of cybersecurity measures implemented with respect to discount window operations;

''(iv) the effectiveness of communications between Federal reserve banks, financial institutions, the Board of Governors, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Secretary of the Treasury regarding discount window operations;

''(v) the effectiveness of the Board of Governors in providing oversight of the discount window and in ensuring consistent access to the discount window across the Federal Reserve System;

''(vi) how the discount window interacts with other providers of liquidity, including the Federal Home Loan Banks, during both normal operations and times of financial distress;

''(vii) the effectiveness of existing discount window operating hours and whether such hours should be expanded, taking into account the interaction between discount window operating hours and the operating hours of payment systems of the Federal reserve banks, such as the Fedwire Funds Service and FedNow Service;

''(viii) the impact of mobile banking and instant communications technology on depositor behavior and liquidity risk posed to financial institutions, including how the discount window can—

''(I) help financial institutions better respond to rapid liquidity shortfalls; and

''(II) prevent broader financial instability; and

''(ix) the effectiveness of the discount window in light of the stigma associated with its usage, ways to reduce such stigma, and ways to improve access, operational efficiency, transparency, and timeliness of the process for financial institutions seeking advances, including on the pricing and other terms of such advances.

''(C) REMEDIATION PLAN.—After the Board of Governors completes the review required by subparagraph (A), the Board of Governors, in consultation with the Federal reserve banks, shall—

''(i) identify deficiencies with the discount window and areas for enhancing discount window effectiveness; and

''(ii) develop a written plan to remediate the identified deficiencies and implement the identified enhancements, which shall include—

''(I) an identification of actions that will be taken to enhance discount window effectiveness and remediate identified deficiencies;

''(II) timelines and milestones for implementing the plan and measures to demonstrate how the implemented improvements will be maintained on an ongoing basis; and

''(III) measures of managing and controlling any deficiencies and current operations until the plan is implemented in full.

''(D) REPORT TO CONGRESS ON REVIEW AND PLAN.—

''(i) IN GENERAL.—Not later than 365 days after the date of enactment of this paragraph, the Board of Governors shall submit 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—

''(I) the findings of the review required by subparagraph (A); and

''(II) the remediation plan required by subparagraph (C).

''(ii) CONSULTATION.—Before submitting the report required by clause (i), the Board of Governors shall—

''(I) provide a copy of the proposed report to the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Secretary of the Treasury; and

''(II) provide the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Secretary of the Treasury with an opportunity to provide feedback on the report.

''(iii) TESTIMONY.—The Chairman of the Board of Governors shall, at the semi-annual hearing required under section 2B, testify with respect to the contents of the report required under this subparagraph.

''(E) ANNUAL REPORTS TO CONGRESS.—

''(i) REPORTS BY THE BOARD.—The Board of Governors shall submit an annual 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 a review of the effectiveness of discount window operations and a progress report on the actions taken to implement the identified enhancements described in subparagraph (C).

''(ii) REPORTS BY THE INSPECTOR GENERAL.—The Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall submit an annual 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 a report on the progress of the Board of Governors in implementing the remediation plan required by subparagraph (C).

''(F) CONFIDENTIAL REPORT INFORMATION.—Any report required under this paragraph may contain a confidential annex containing information that, if made public, could—

''(i) impact monetary policy, financial stability, or cybersecurity; or

''(ii) significantly endanger the safety and soundness of any financial institution.

''(G) REPEAL.—This paragraph shall be repealed on the date on which the Board of Governors notifies the Congress and publishes on a public website of the Board of Governors that the remediation plan required under subparagraph (C) has been fully implemented.''.

SEC. 502. KEEPING DEPOSITS LOCAL.

(a) AMOUNT OF RECIPROCAL DEPOSITS THAT ARE NOT CONSIDERED TO BE FUNDS OBTAINED BY OR THROUGH A DEPOSIT BROKER.—Section 29(i)(1)(C) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(i)(1)(C)) is amended by striking ''$96,333,333,333'' and inserting ''$250,000,000,000''.

(b) DEFINITION OF AGENT INSTITUTION.—Section 29(i) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(i)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking subclause (I) and inserting the following:

''(I) when most recently examined under section 10(d) was assigned a CAMELS rating of 1, 2, or 3 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); and'';

(B) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(C) by inserting after clause (i) the following:

''(ii) has not yet been examined under section 10(d) and the deposits of which first became insured under this Act during the current calendar year or during the immediately preceding calendar year;''; and

(2) by adding at the end the following:

''(3) RESERVATION OF AUTHORITY.—If an insured depository institution ceases to be an agent institution because it no longer satisfies any of the criteria in paragraph (2)(A), the Corporation may, on a case-by-case basis and upon application, provide a waiver to permit the institution to continue to consider some or all of the deposits previously subject to the exception under paragraph (1) as continuing to be subject to the exception under paragraph (1), for a specific or indefinite period of time, if the Corporation determines that failure to grant such a waiver would negatively impact the safety and soundness of the insured depository institution.''.

(c) RECIPROCAL DEPOSITS STUDY.—

(1) IN GENERAL.—The Federal Deposit Insurance Corporation, in consultation with the Board of Governors of the Federal Reserve System, shall carry out a study on reciprocal deposits.

(2) CONTENTS.—The study required under paragraph (1) shall include—

(A) an analysis of how reciprocal deposits have performed since 2018, which shall include—

(i) the use of quantitative and qualitative data;

(ii) a breakdown of the usage of reciprocal deposits by size of insured depository institution;

(iii) the usage of reciprocal deposits during periods of stress; and

(iv) an analysis, to the extent practicable, of end-user depositors, such as municipalities, businesses, and non-profit organizations, that drive demand for reciprocal products;

(B) an analysis, to the extent practicable, of how reciprocal deposits compare to other deposit arrangements; and

(C) an analysis of the benefits and potential risks of reciprocal deposits.

(3) REPORT.—Not later than 6 months after the date of enactment of this Act, the Federal Deposit Insurance Corporation 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 all findings and determinations made in carrying out the study required under paragraph (1).

TITLE VI—PROMOTING BANK COMPETITION AND MERGER CLARITY

SEC. 601. BANK COMPETITION MODERNIZATION.

(a) IN GENERAL.—Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), as amended by section 604(c), is further amended—

(1) in paragraph (4)(C)—

(A) in clause (i), by striking ''or'' at the end;

(B) in clause (ii), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(iii) the proposed merger transaction would result in an entity with less than $10,000,000,000 in assets and would not result in there being only one insured depository institution with a physical presence in any relevant metropolitan statistical area.''; and

(2) by adding at the end the following:

''(16) FOR MERGER TRANSACTIONS RESULTING IN INSTITUTIONS WITH LESS THAN $10,000,000,000 IN ASSETS AND THAT WOULD NOT RESULT IN THERE BEING ONLY ONE INSURED DEPOSITORY INSTITUTION WITH A PHYSICAL PRESENCE IN ANY RELEVANT METROPOLITAN STATISTICAL AREA.—Notwithstanding paragraph (5), if a proposed merger transaction would result in an institution with less than $10,000,000,000 in assets and would not result in there being only one insured depository institution with a physical presence in any relevant metropolitan statistical area, then the responsible agency shall not consider whether such merger transaction would—

''(A) result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States; and

''(B) have the effect in any section of the country of substantially lessening competition, tending to create a monopoly, or in any other manner restraining trade.''.

(b) FOR BANK HOLDING COMPANIES.—Section 3(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)) is amended by adding at the end the following:

''(8) FOR PROPOSED TRANSACTIONS RESULTING IN COMPANIES WITH LESS THAN $10,000,000,000 IN ASSETS AND THAT WOULD NOT RESULT IN THERE BEING ONLY ONE INSURED DEPOSITORY INSTITUTION WITH A PHYSICAL PRESENCE IN ANY RELEVANT METROPOLITAN STATISTICAL AREA.—Notwithstanding paragraph (1), if a proposed acquisition, merger, or consolidation under this section would result in a company with less than $10,000,000,000 in assets and would not result in there being only one insured depository institution with a physical presence in any relevant metropolitan statistical area, then the Board shall not consider whether such acquisition, merger, or consolidation would—

''(A) result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States; and

''(B) have the effect in any section of the country of substantially lessening competition, tending to create a monopoly, or in any other manner restraining trade.''.

(c) FOR SAVINGS AND LOAN HOLDING COMPANIES.—Section 10(e) of the Home Owners' Loan Act (12 U.S.C. 1467a(e)), as amended by section 604(b), is further amended by adding at the end the following:

''(10) FOR PROPOSED TRANSACTIONS RESULTING IN COMPANIES WITH LESS THAN $10,000,000,000 IN ASSETS AND THAT WOULD NOT RESULT IN THERE BEING ONLY ONE INSURED DEPOSITORY INSTITUTION WITH A PHYSICAL PRESENCE IN ANY RELEVANT METROPOLITAN STATISTICAL AREA.—Notwithstanding subparagraphs (A) and (B) of paragraph (2), if a proposed transaction under this section would result in a company with less than $10,000,000,000 in assets and would not result in there being only one insured depository institution with a physical presence in any relevant metropolitan statistical area, then the Board shall not consider whether the transaction would—

''(A) result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the savings and loan business in any part of the United States; and

''(B) have the effect in any section of the country of substantially lessening competition, tending to create a monopoly, or in any other manner restraining trade.''.

SEC. 602. MERGER AGREEMENT APPROVALS CLARITY AND PREDICTABILITY.

(a) STUDY.—The Comptroller General of the United States shall carry out a study on the use of commitments, conditions, and other aspects of merger review procedures by Federal depository institution regulatory agencies in connection with insured depository institution merger applications. The study shall—

(1) include an evaluation of relevant quantifiable metrics;

(2) review the extent to which the use of commitments and conditions has aligned with statutory requirements, including a review of whether the use of commitments and conditions has been influenced by extrastatutory issues or considerations;

(3) consider the benefits and risks of utilizing different merger review approaches and procedures in compliance with the law; and

(4) include an evaluation of the impact of such merger review procedures and resulting approved mergers on safety and soundness, financial stability, competition, and the availability of financial products and services offered by insured depository institutions.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General 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 all findings and determinations made in carrying out the study required under subsection (a).

(c) DEFINITIONS.—In this section:

(1) APPLICATION.—The term ''application'' means an application, notice, or other similar request for permission submitted to a Federal depository institution regulatory agency.

(2) FEDERAL DEPOSITORY INSTITUTION REGULATORY AGENCY.—The term ''Federal depository institution regulatory agency'' means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board.

(3) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution''—

(A) has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) means an insured credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(4) INSURED DEPOSITORY INSTITUTION MERGER APPLICATION.—The term ''insured depository institution merger application'' means an application with respect to the acquisition of an insured depository institution, its equity interests, its assets, or its deposits under—

(A) section 10(e) of the Home Owners' Loan Act (12 U.S.C. 1467a(e));

(B) section 205(b) of the Federal Credit Union Act (12 U.S.C. 1785(b));

(C) section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j));

(D) section 18(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(2));

(E) section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842); and

(F) section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843).

SEC. 603. MERGER PROCESS REVIEW.

(a) REVIEW.—Not later than 1 year after the date of enactment of this Act, and every 3 years thereafter, the Inspector General of each Federal depository institution regulatory agency shall review the Federal depository institution regulatory agency's merger review procedures, including record of timeliness and efficiency in reviewing and acting upon insured depository institution merger applications. The review shall—

(1) include an evaluation of relevant quantifiable metrics, including mean and median application processing times;

(2) identify sources of delay that may hinder the timely consummation of proposals that meet the relevant statutory factors;

(3) consider the benefits and risks of utilizing different merger review approaches and procedures in compliance with the law;

(4) include an evaluation of the impact of such merger review procedures and resulting approved mergers on safety and soundness, financial stability, competition, and the availability of financial products and services offered by insured depository institutions; and

(5) include specific recommendations to improve the merger review process, including timeliness and efficiency of application processing, consistent with the Federal depository institution regulatory agency's statutory responsibilities.

(b) REPORT.—Each Inspector General described under subsection (a) shall, at the conclusion of each review required under subsection (a), 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 all findings and determinations made in carrying out the review, and publish such report online.

(c) AGENCY RESPONSE.—In response to each report issued under subsection (a), the appropriate Federal depository institution regulatory agency shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate and publish online a written response, including a plan to implement the recommendations in the report, to the extent such implementation is appropriate.

(d) DEFINITIONS.—In this section:

(1) APPLICATION.—The term ''application'' means an application, notice, or other similar request for permission submitted to a Federal depository institution regulatory agency.

(2) FEDERAL DEPOSITORY INSTITUTION REGULATORY AGENCY.—The term ''Federal depository institution regulatory agency'' means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration.

(3) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution''—

(A) has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) means an insured credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(4) INSURED DEPOSITORY INSTITUTION MERGER APPLICATION.—The term ''insured depository institution merger application'' means an application with respect to the acquisition of an insured depository institution, its equity interests, its assets, or its deposits under—

(A) section 10(e) of the Home Owners' Loan Act (12 U.S.C. 1467a(e));

(B) section 205(b) of the Federal Credit Union Act (12 U.S.C. 1785(b));

(C) section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j));

(D) section 18(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(2));

(E) section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842); and

(F) section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843).

SEC. 604. BANK FAILURE PREVENTION.

(a) BANK HOLDING COMPANIES.—Section 3(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(b)(1)) is amended—

(1) by striking ''Upon receiving'' and inserting the following:

''(A) IN GENERAL.—Upon receiving'';

(2) by striking ''required'' and inserting ''acquired'';

(3) by striking ''In the event of the failure of the Board to act on any application for approval under this section within the ninety-one-day period which begins on the date of submission to the Board of the complete record on that application, the application shall be deemed to have been granted.''; and

(4) by adding at the end the following:

''(B) COMPLETE RECORD ON AN APPLICATION.—

''(i) NOTICE TO APPLICANT.—Not later than 30 days after the date on which the Board receives an application for approval under this section, the Board shall transmit to the applicant a letter that either—

''(I) confirms the record on the application is complete; or

''(II) details all additional information that is required for the record on that application to be complete.

''(ii) EXTENSION OF NOTICE.—Notwithstanding clause (i), the Board may, if an application is complex, extend the 30-day period described under clause (i) for an additional period not to exceed 60 days.

''(iii) RECEIPT OF RESPONSE; DEEMING OF COMPLETE RECORD.—Upon receipt of a response from an applicant to a notice requesting additional information described under clause (i)(II), the record on the application shall be deemed complete unless the Board—

''(I) determines that the applicant's response was materially deficient; and

''(II) not later than 30 days after the date on which the Board received the response, provides the applicant a detailed notice describing the deficiencies.

''(iv) TREATMENT OF THIRD-PARTY INFORMATION.—In determining whether the record on an application is complete, the Board may take into account only information provided by the applicant, and may not base the determination of completeness on any information (including reports, views, or recommendations) provided by third parties.

''(C) DEADLINE FOR DETERMINATION.—

''(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), the Board shall grant or deny an application submitted under this section not later than 120 days after the date on which the application was initially submitted to the Board, regardless of whether the record on such initial application was complete.

''(ii) FAILURE TO MAKE A DETERMINATION.—If the Board does not grant or deny an application within the time period described under clause (i), such application shall be deemed to have been granted.

''(iii) TOLLING OF PERIOD.—The Board may at any time extend the deadline described under clause (i) at the request of the applicant, but may not extend the deadline more than 30 days past the deadline described under clause (i).''.

(b) SAVINGS AND LOAN HOLDING COMPANIES.—Section 10(e) of the Home Owners' Loan Act (12 U.S.C. 1467a(e)) is amended—

(1) in paragraph (2), by striking '', and shall render a decision within 90 days after submission to the Board of the complete record on the application'';

(2) by redesignating paragraph (7) as paragraph (9); and

(3) by inserting after paragraph (6) the following:

''(7) COMPLETE RECORD ON AN APPLICATION.—

''(A) NOTICE TO APPLICANT.—Not later than 30 days after the date on which the Board receives an application for approval under this subsection, the Board shall transmit to the applicant a letter that either—

''(i) confirms the record on the application is complete; or

''(ii) details all additional information that is required for the record on that application to be complete.

''(B) EXTENSION OF NOTICE.—Notwithstanding subparagraph (A), the Board may, if an application is complex, extend the 30-day period described under subparagraph (A) for a period not to exceed 60 days.

''(C) RECEIPT OF RESPONSE; DEEMING OF COMPLETE RECORD.—Upon receipt of a response from an applicant to a notice requesting additional information described under subparagraph (A)(ii), the record on the application shall be deemed complete unless the Board—

''(i) determines that the applicant's response was materially deficient; and

''(ii) not later than 30 days after the date on which the Board received the response, provides the applicant a detailed notice describing the deficiencies.

''(D) TREATMENT OF THIRD-PARTY INFORMATION.—In determining whether the record on an application is complete, the Board may take into account only information provided by the applicant, and may not base the determination of completeness on any information (including reports, views, or recommendations) provided by third parties.

''(8) DEADLINE FOR DETERMINATION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, the Board shall grant or deny an application submitted under this subsection not later than 120 days after the date on which the application was initially submitted to the Board, regardless of whether the record on such initial application was complete.

''(B) FAILURE TO MAKE A DETERMINATION.—If the Board does not grant or deny an application within the time period described under subparagraph (A), such application shall be deemed to have been granted.

''(C) TOLLING OF PERIOD.—The Board may at any time extend the deadline described under subparagraph (A) at the request of the applicant, but may not extend the deadline more than 30 days past the deadline described under subparagraph (A).''.

(c) INSURED DEPOSITORY INSTITUTIONS.—Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended by adding at the end the following:

''(14) COMPLETE RECORD ON AN APPLICATION.—

''(A) NOTICE TO APPLICANT.—Not later than 30 days after the date on which the responsible agency receives a merger application for approval under this subsection, the responsible agency shall transmit to the applicant a letter that either—

''(i) confirms the record on the application is complete; or

''(ii) details all additional information that is required for the record on that application to be complete.

''(B) EXTENSION OF NOTICE.—Notwithstanding subparagraph (A), the responsible agency may, if an application is complex, extend the 30-day period described under subparagraph (A) for a period not to exceed 60 days.

''(C) RECEIPT OF RESPONSE; DEEMING OF COMPLETE RECORD.—Upon receipt of a response from an applicant to a notice requesting additional information described under subparagraph (A)(ii), the record on the application shall be deemed complete unless the responsible agency—

''(i) determines that the applicant's response was materially deficient; and

''(ii) not later than 30 days after the date on which the responsible agency received the response, provides the applicant a detailed notice describing the deficiencies.

''(D) TREATMENT OF THIRD-PARTY INFORMATION.—In determining whether the record on an application is complete, the responsible agency may take into account only information provided by the applicant, and may not base the determination of completeness on any information (including reports, views, or recommendations) provided by third parties.

''(15) DEADLINE FOR DETERMINATION.—

''(A) IN GENERAL.—Notwithstanding any other provision of this subsection, the responsible agency shall grant or deny a merger application submitted under this subsection not later than 120 days after the date on which the application was initially submitted to the responsible agency, regardless of whether the record on such initial application was complete.

''(B) FAILURE TO MAKE A DETERMINATION.—If the responsible agency does not grant or deny an application within the time period described under subparagraph (A), such application shall be deemed to have been granted.

''(C) TOLLING OF PERIOD.—The responsible agency may at any time extend the deadline described under subparagraph (A) at the request of the applicant, but may not extend the deadline more than 30 days past the deadline described under subparagraph (A).''.

TITLE VII—STRENGTHENING TRANSPARENCY AND INVOLVEMENT IN BANK RESOLUTIONS

SEC. 701. LEAST COST EXCEPTION.

(a) IN GENERAL.—Section 13(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)) is amended—

(1) in subparagraph (A)(ii), by inserting ''except as provided in subparagraph (I),'' before ''the total amount'';

(2) in subparagraph (E)(i), by inserting ''and except as provided in subparagraph (I),'' after ''appropriate,''; and

(3) by adding at the end the following:

''(I) LEAST COST RESOLUTION EXCEPTION.—

''(i) IN GENERAL.—With respect to an exercise of authority by the Corporation described in subparagraph (A), the Corporation 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-case basis the maximum allowable cost against the net worth of the Deposit Insurance Fund that may be utilized to account for any determination under clause (i).

''(iii) REQUIREMENTS DESCRIBED.—The requirements for the selected alternative described in clause (i) are as follows:

''(I) The selected alternative is least costly to the Deposit Insurance Fund of all alternatives that do not involve a transaction with a global systemically important banking organization and that do not exceed the cost of liquidating the insured depository institution.

''(II) The difference between the cost of the selected alternative and the cost of a covered alternative is less than or equal to the maximum cost to the Deposit Insurance Fund specified pursuant to the rule adopted under clause (ii).

''(III) In the case of a selected alternative that involves another person purchasing assets of the insured depository institution or assuming deposit liabilities of the insured depository institution, such person agrees to pay an assessment to the Corporation comprised of payments—

''(aa) made over a period to be determined by the Corporation, but which may not be less than 5 years; and

''(bb) in an amount that takes into account, on a case-by-case basis, criteria the Corporation, by rule, shall establish, including a realistic discount rate, the aggregate amount equal

to the difference calculated in subclause (II), and any bid inconsistent with the purposes of this Act, with such rule to be established by the Corporation not later than 1 year after the date of enactment of this subparagraph.

''(iv) REPORT TO CONGRESS.—Not later than 30 days after selecting an alternative described in clause (i), the Corporation 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, and assumption of all or substantially all deposit liabilities of the insured depository institution by, a global systemically important banking organization.

''(II) GLOBAL SYSTEMICALLY IMPORTANT BANKING ORGANIZATION.—The term 'global systemically important banking organization' means a global systemically important BHC (as such term is defined in section 217.402 of title 12, Code of Federal Regulations, or any successor thereto) and any affiliate thereof.''.

(b) RULE OF CONSTRUCTION.—Section 13(c)(4)(H) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(H)) does not apply to the amendments made by subsection (a).

SEC. 702. ENHANCING BANK RESOLUTION PARTICIPATION.

(a) STUDY.—The Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of the Governors of the Federal Reserve System shall, jointly, carry out a study of—

(1) the use by the Comptroller of the Currency of shelf charters, including all conditional or preliminary shelf charter approvals granted between January 1, 2008, and the date of enactment of this Act;

(2) the use by the Federal Deposit Insurance Corporation of the modified bidder qualification process;

(3) the application of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) and section 10 of the Home Owners' Loan Act (12 U.S.C. 1467a) to shelf charter proposals;

(4) whether shelf charters and modified bidder qualification processes were considered or used in connection with the receivership of any insured depository institution for which the Federal Deposit Insurance Corporation was appointed receiver in 2023;

(5) with respect to such receiverships, the extent to which greater use of shelf charters and modified bidder qualification processes could have—

(A) expanded the pool of participants in the acquisition of the assets or liabilities of such failed insured depository institutions;

(B) resulted in greater competition and diversity in market outcomes;

(C) protected the Deposit Insurance Fund; or

(D) strengthened financial stability and reduced the need for any emergency determination by the Secretary of the Treasury under section 13(c)(4)(G) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(G)) with respect to any such receivership;

(6) the impact of the use of shelf charters and modified bidder qualification processes since January 1, 2008, including on financial stability, the safety and soundness of affected insured depository institutions, and the availability of financial products and services provided to consumers by such institutions; and

(7) any benefits and risks of private equity ownership of banks through the use of shelf charters and modified bidder qualification processes.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of the Governors of the Federal Reserve System shall, jointly, submit 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—

(1) all findings and determinations made in carrying out the study required under subsection (a); and

(2) an identification of statutory or regulatory barriers to the use and effectiveness of shelf charters and modified bidder qualification processes in the resolution of failed insured depository institutions, including recommendations for legislative and regulatory changes.

(c) DEFINITIONS.—In this section:

(1) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(2) MODIFIED BIDDER QUALIFICATION PROCESS.—The term ''modified bidder qualification process'' has the meaning given such term in the press release of the Federal Deposit Insurance Corporation titled ''FDIC Expands Bidder List for Troubled Institutions Plan Allows Those Without a Bank Charter to Participate in the Process'' published November 26, 2008.

(3) SHELF CHARTER.—The term ''shelf charter'' has the meaning given such term in the report issued by the Comptroller of the Currency titled ''Activities Permissible for National Banks and Federal Savings Associations, Cumulative'' published October 2017.

SEC. 703. FAILING BANK ACQUISITION FAIRNESS.

(a) CONCENTRATION LIMIT EXCEPTIONS ONLY AVAILABLE TO AVOID SERIOUS ADVERSE ECONOMIC OR FINANCIAL EFFECTS.—

(1) CONCENTRATION LIMITS WITH RESPECT TO DEPOSITS.—

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

(i) in section 18(c)(13)—

(I) by amending subparagraph (B) to read as follows:

''(B) Subparagraph (A) shall not apply to an interstate merger transaction if—

''(i) such interstate merger transaction involves 1 or more insured depository institutions in default or in danger of default and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from a company that is not subject to the prohibition in subparagraph (A); or

''(ii) the Corporation provides assistance under section 13 to facilitate such interstate merger transaction and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from a company that is not subject to the prohibition in subparagraph (A).''; and

(II) in subparagraph (C)—

(aa) in clause (i), by striking ''and'' at the end;

(bb) in clause (ii), by striking the period at the end and inserting a semicolon; and

(cc) by adding at the end the following:

''(iii) the term 'qualified bid' means an application, proposed application, or bid from a company where—

''(I) if applicable, the company, any affiliate insured depository institution, and any affiliate depository institution holding company are well capitalized and well managed, as of the date of the application, proposed application, or bid; and

''(II) upon consummation of the transaction, the resulting insured depository institution is well capitalized;

''(iv) the term 'well capitalized'—

''(I) with respect to an insured depository institution, has the meaning given such term in section 38(b) (12 U.S.C. 1831o(b));

''(II) with respect to a bank holding company, has the meaning given such term in section 2(o)(1)(B) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(1)(B));

''(III) with respect to a savings and loan holding company, has the meaning given such term in section 238.2 of title 12, Code of Federal Regulations; and

''(IV) with respect to a company that is not an insured depository institution, bank holding company, or savings and loan holding company, means maintaining equity capital that the Corporation determines is commensurate with the capital maintained by an insured depository institution that is well capitalized; and

''(v) the term 'well managed' has the meaning given such term in section 2(o)(9) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(9)).''; and

(ii) in section 44, by amending subsection (e) to read as follows:

''(e) EXCEPTION FOR BANKS IN DEFAULT OR IN DANGER OF DEFAULT.—

''(1) GENERAL EXCEPTION.—The responsible agency may, without regard to paragraph (1), (3), (4), or (5) of subsection (b) or paragraph (2), (4), or (5) of subsection (a), approve an application under subsection (a)(1) for approval of a merger transaction if—

''(A) the merger transaction involves 1 or more banks in default or in danger of default; or

''(B) the Corporation provides assistance under section 13(c) to facilitate such merger transaction.

''(2) CONCENTRATION LIMIT EXCEPTION.—The responsible agency may, without regard to subsection (b)(2), approve an application under subsection (a)(1) for approval of a merger transaction if—

''(A) the merger transaction involves 1 or more banks in default or in danger of default and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in subsection (b)(2); or

''(B) the Corporation provides assistance under section 13(c) to facilitate such merger transaction and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in subsection (b)(2).

''(3) QUALIFIED BID DEFINED.—In this subsection, the term 'qualified bid' has the meaning given that term in section 18(c)(13)(C).''.

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

(i) in section 3(d), by amending paragraph (5) to read as follows:

''(5) EXCEPTION FOR BANKS IN DEFAULT OR IN DANGER OF DEFAULT.—

''(A) GENERAL EXCEPTION.—The Board may, without regard to subparagraph (B) or (D) of *paragraph (1) or paragraph (3), approve an application pursuant to paragraph (1)(A) if—*

''(i) the application is for an acquisition of 1 or more banks in default or in danger of default; or

''(ii) the application is for an acquisition with respect to which assistance is provided under section 13(c) of the Federal Deposit Insurance Act.

''(B) CONCENTRATION LIMIT EXCEPTION.—The Board may, without regard to paragraph (2), approve an application pursuant to paragraph (1)(A) if—

''(i) the application is for the acquisition of 1 or more banks in default or in danger of default and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in paragraph (2); or

''(ii) the application is for an acquisition with respect to which assistance is provided under section 13(c) of the Federal Deposit Insurance Act and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in paragraph (2).

''(C) QUALIFIED BID DEFINED.—In this paragraph, the term 'qualified bid' has the meaning given that term in section 18(c)(13)(C) of the Federal Deposit Insurance Act.''; and

(ii) in section 4(i)(8), by amending subparagraph (B) to read as follows:

''(B) EXCEPTION.—Subparagraph (A) shall not apply to an acquisition if—

''(i) such acquisition involves an insured depository institution in default or in danger of default and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in paragraph (2); or

''(ii) the Federal Deposit Insurance Corporation provides assistance under section 13 of the Federal Deposit Insurance Act to facilitate such acquisition and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in paragraph (2).''.

(2) CONCENTRATION LIMIT WITH RESPECT TO CONSOLIDATED LIABILITIES.—Section 14(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1852(c)) is amended—

(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(B) by striking ''With the'' and inserting the following:

''(1) IN GENERAL.—With the''; and

(C) by adding at the end the following:

''(2) LIMITATION.—The Board may provide written consent for an acquisition described in paragraph (1)(A) or in paragraph (1)(B) only if the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in subsection (b).''.

(b) CONGRESSIONAL NOTIFICATION AND JUSTIFICATION FOR WAIVERS.—

(1) IN GENERAL.—Whenever the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, or the Federal Deposit Insurance Corporation waives a concentration limit under section 18(c)(13)(B) or section 44(e) of the Federal Deposit Insurance Act or under section 3(d)(5), section 4(i)(8)(B), or section 14(c)(2) of the Bank Holding Company Act of 1956, in connection with the acquisition of a bank or insured depository institution in default or in danger of default, or in connection with an acquisition with respect to which the Federal Deposit Insurance Corporation provides assistance under section 13 of the Federal Deposit Insurance Act, the waiving agency and the Federal Deposit Insurance Corporation, jointly, shall, not later than 30 days after such waiver, submit a written report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs in the Senate containing—

(A) a justification for the waiver, including an analysis of why it was necessary to prevent significant economic disruption or significant adverse effects on financial stability;

(B) a description of alternative bids or outcomes considered, including efforts to solicit and encourage bids from entities that would not require a waiver;

(C) an explanation of why alternative bids were not selected, if applicable; and

(D) any recommendations for legislative or regulatory changes to improve competition in future insured depository institution resolutions.

(2) PUBLIC DISCLOSURE.—The waiving agency submitting a report under paragraph (1) and the Federal Deposit Insurance Corporation shall make the report publicly available on their respective websites, subject to redactions for confidential supervisory information and any other information described under section 552(b) of title 5, United States Code.

(c) LIMITATION ON CONSIDERING BAD FAITH BIDS IN LEAST COST DETERMINATION.—Section 13(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)), as amended by section 701(a)(3), is further amended by adding at the end the following:

''(J) LIMITATION ON CONSIDERING BAD FAITH BIDS.—In making a determination under this paragraph of whether an exercise of authority is the least costly to the Deposit Insurance Fund, any application, proposed application, or bid that would result in violation of—

''(i) section 18(c)(13) or 44(b)(2), or

''(ii) section 3(d)(2), 4(i)(8), or 14 of the Bank Holding Company Act of 1956,

shall not be considered a possible method for meeting the Corporation's obligation under this section for purposes of subparagraph (A).''.

TITLE VIII—FACILITATING INNOVATION AND BANK PARTNERSHIPS

SEC. 801. MERCHANT BANKING MODERNIZATION.

(a) IN GENERAL.—Section 4(k)(7)(A) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)(7)(A)) is amended by inserting ''Under such regulations, the period of time generally permitted for holding merchant banking investments shall not be less than 15 years. For any merchant banking investment held on the date of enactment of the Main Street Act, the holding period of time permitted shall not be less than 15 years from the initial date of the investment.'' after the period at the end.

(b) MERCHANT BANKING STUDY.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall carry out a study on merchant banking investments to assess—

(A) the number, investment size, holding period, and risk characteristics of merchant banking investments by financial holding companies, with the assessment of investment sizes and holding periods based on the average, median, and distribution of the investment sizes and holding periods;

(B) the types of businesses, projects, assets, and activities in which such merchant banking investments are made, including the extent to which such merchant banking investments support infrastructure projects and housing development and construction; and

(C) any information, analyses, or findings related to merchant banking investments that the Board determines to be relevant.

(2) REPORT.—Not later than the end of the 18-month period beginning on the date of enactment of this Act, the Board 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 all findings and determinations made in carrying out the study required under this subsection.

SEC. 802. BANK-FINTECH PARTNERSHIP ENHANCEMENT.

(a) STUDY ON BANK-FINTECH PARTNERSHIPS.—

(1) STUDY.—The Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation shall carry out a study of—

(A) the impact of partnerships between banking organizations, on the one hand, and financial technology companies, on the other hand, on the banking sector, competition, innovation, consumer protection, and the availability of financial products and services, including the extent to which these partnerships support the formation of new banking organizations, reduce time to market for products and services, lower compliance burdens, boost customer acquisition, improve technological capabilities, and provide access to more diverse funding sources; and

(B) what changes to Federal laws governing banking organizations, or to rules or guidance adopted by the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, or the Federal Deposit Insurance Corporation, may help promote effective partnerships between banking organizations, on the one hand, and financial technology companies, on the other hand.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation 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 all findings and determinations made in carrying out the study required under paragraph (1).

(3) BANKING ORGANIZATION DEFINED.—In this subsection, the term ''banking organization'' means a depository institution holding company or an insured depository institution, as such terms are defined, respectively, under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(b) STUDY ON CREDIT UNION-FINTECH PARTNERSHIPS.—

(1) STUDY.—The National Credit Union Administration shall carry out a study of—

(A) the impact of partnerships between credit unions, on the one hand, and financial technology companies, on the other hand, on the credit union sector, competition, innovation, consumer protection, and the availability of financial products and services, including the extent to which these partnerships support the formation of new credit unions, reduce time to market for products and services, lower compliance burdens, boost customer acquisition, improve technological capabilities, and provide access to more diverse funding sources; and

(B) what changes to Federal laws governing credit unions, or to rules or guidance adopted by the National Credit Union Administration,

may help promote effective partnerships between credit unions, on the one hand, and financial technology companies, on the other hand.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the National Credit Union Administration 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 all findings and determinations made in carrying out the study required under paragraph (1).

SEC. 803. DISCRETIONARY SURPLUS FUND.

(a) IN GENERAL.—The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by $425,000,000.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on September 1, 2036.

The SPEAKER pro tempore. The bill, as amended, shall be debatable for 1 hour, equally divided and controlled by the chair and ranking minority member of the Committee on Financial Services, or their respective designees.

The gentleman from Arkansas (Mr. HILL) and the gentlewoman from California (Ms. WATERS) will each control 30 minutes.

The Chair now recognizes the gentleman from Arkansas (Mr. HILL).

GENERAL LEAVE

Mr. HILL of Arkansas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of the Main Street Capital Access Act.

As a former community bank founder and CEO in my hometown of Little Rock, Arkansas, I have seen firsthand the important role that our community banks and credit unions play to drive the economic engine of America and help Main Street grow and thrive.

During the financial crisis, they were there. During the COVID pandemic, they were there, staying up all night to close emergency paycheck protection loans.

Every Member of this body knows this and knows it well. They have their own story from their own town about how that local financial institution was there for a customer, for a family, to help a startup, to help a business or restaurant cope with the pandemic.

Community banks and hometown credit unions know their customers. They understand the needs of their communities, and they keep capital flowing where it is needed most.

When a family is trying to buy their first home, they often walk into the offices of a community bank where that lender knows them, recognizes their goals, and is invested in their success.

Mr. Speaker, as I have said on this House floor many times this year, our banks under $10 billion make 6 out of 10 home construction loans.

When a local farmer or entrepreneur needs the capital to expand or initiate their crop for the year, they need someone who understands their particular business and is committed to seeing them succeed and, thereby, their communities succeed.

I loved my role as a hometown Main Street community banker and investor. Even to this day, almost three decades later, I smile driving by that restaurant location that I helped grow or driving by a building or a shopping center or a doctor's practice that our small bank helped finance—finance its construction, finance its future, finance its home for those employees.

Community banks make that possible, and this bipartisan Main Street Capital Access Act gives them the tools they need to keep capital flowing where it is needed most up and down our main streets in our beautiful country.

For decades, Washington has made it harder for community banks to thrive and operate efficiently. The Dodd-Frank Act, passed in the heat and horror of the global financial crisis, took the approach that many community and midsize banks across our Nation were faced with the same rules and the same level of scrutiny of the largest, most systemically important institutions. It was just too much, Mr. Speaker.

That approach, that overkill, has stifled local lending, constrained economic growth, accelerated industry consolidation—something I hear about from Members on both sides of the aisle all the time—and pushed important financing activity for both families and businesses out of the regulated financial sector. Again, I don't believe that was a goal by the proponents of Dodd-Frank after the financial crisis.

Our local lenders, Mr. Speaker, too often now spend more time on check-the-box compliance requirements rather than serving their communities.

When I made my presentation to our party here in the House to chair our Committee on Financial Services, I said that the impact of Dodd-Frank and other rules had focused Main Street bank presidents staying up all night worrying, not about their loan pipeline, not about where to get their next lending officer. Instead, they are up all night wondering how they can afford another compliance officer to try to meet this standard that is, in my judgment, unreasonable for a small, straightforward, local bank.

Our committee Republicans, with their great leadership from our subcommittee chair, ANDY BARR of Kentucky, have worked mightily over the years to find a bipartisan set of solutions to exactly the problem I outline today.

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Recently, the 21st Century ROAD to Housing Act, which became law, contained nine community banking provisions that provided this sort of thematic, clear, needed relief to America's local lenders and expanded financing for both residential mortgages and housing construction and development. These measures that we are debating today in the Main Street Capital Access Act were in that same philosophy of what we just overwhelmingly passed in both Chambers just a few days ago.

Mr. Speaker, I say today that we are building on the success of our 21st Century ROAD to Housing Act with Main Street Capital Access Act. We are expanding access to capital, supporting American businesses, and ensuring our financial system remains the most dynamic and diverse in the world.

This bill delivers on those goals. It spurs formation of new banks. It brings this commonsense tailoring back to regulation. It restores fairness and transparency in bank supervision. It helps banks attract, retain, and diversify important funding sources from sources of deposits, and it removes unnecessary barriers that have limited lending in communities across this country.

Mr. Speaker, with all of this effort, we have seen solid bipartisan support, input, and leadership in developing this bill. Expanding access to capital strengthens our local economies. It gives entrepreneurs the confidence to invest, businesses the ability to grow, and families the opportunity to build long-term wealth through that most abundant of American dreams: owning their own home.

When Main Street banks succeed, our communities thrive. I thank my colleague again, my friend, the chairman of our Subcommittee on Financial Institutions, the gentleman from Kentucky (Mr. BARR), for his tireless efforts in developing this bill and his commitment to strengthening community banking, not only in Kentucky but across our Nation.

Mr. Speaker, I also thank his hardworking colleague who has spent hours tirelessly thinking through the best approach to these provisions, and that is the gentleman from Illinois (Mr. FOSTER) of Chicago.

Their collaboration will benefit our country, and I hope that we see a strong, bipartisan vote on this bill in this Chamber today.

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me start by saying that we all care about community banks and credit unions.

For that reason, I was pleased to work with Chair HILL on a package of community bank provisions included in our landmark housing bill, the 21st Century ROAD to Housing Act.

Now, even though Trump refused to sign it, that legislation has become the law of the land. That law not only will get America back in the business of building housing, but it will help community lenders provide mortgages and other types of financing to support the American Dream of homeownership.

Importantly, that bill did not have handouts. It did not have handouts for megabanks, Big Tech, payday lenders, debt collectors, or credit bureaus. That is not the case for the bill that is before us today.

H.R. 6955 is Wall Street deregulation—that is what it is—hiding as a community bank bill. This package is made up of 24 Republican bills with just two Democratic bills.

Today, we mark the 16th anniversary of the Dodd-Frank Wall Street Reform and Consumer Protection Act being signed into law. That is the law that bears the name of the late great and former Chairman Barney Frank. Unlike President Trump, President Obama knew when to sign a good bill when he saw it.

That law was passed in response to the 2008 financial crisis when, in case my Republican colleagues have forgotten, millions of Americans lost their jobs, their homes, and their life savings.

Yet, H.R. 6955 ignores these lessons and rolls back a long list of safeguards and oversight of the largest banks. Importantly, the Nation is grappling with an affordability crisis and surge in financial scams and fraud, costing consumers tens of billions of dollars. This was all made worse when Trump shut down the Consumer Financial Protection Bureau.

Voting for H.R. 6955 would add insult to injury by thwarting a future CFPB from issuing rules, such as fixing credit reporting or reining in debt collectors or abusive medical debt practices. Maybe that is the point.

Interestingly, Rules Committee Chairwoman FOXX said the quiet part out loud yesterday. She confessed that Republicans love deregulation. That is what this bill is all about. It is not affordability and not protecting consumers. It is about deregulation for Wall Street's megabanks.

Mr. Speaker, what is more is that this bill ignores lessons from the failures of Silicon Valley Bank and other regional banks just 3 years ago. Those large regional banks failed after Congress rolled back capital, liquidity, and other rules specifically for those banks.

Nevertheless, this bill allows even more of these large banks to escape critical safeguards, which risks even more failures and harm to Americans and small businesses.

If H.R. 6955 were to become law, it would be the most sweeping deregulation of Wall Street since the 2008 financial crisis.

Two sections of the bill, sections 203 and 204, amend 15 different banking and consumer protection laws and would increase more than 40 different regulatory thresholds. There are so many laws being rolled back. The committee report for this bill is over 600 pages long, mostly to show how all these different laws are amended.

In fact, the sponsors of this bill were so zealous to raise thresholds that they increased two thresholds that will aid bad actors who commit fraud against a bank or a large financial institution.

You can't make this up. There is a provision that will increase the amount that individuals can defraud a bank or future AIG by and then get government money to buy those failed assets for their own benefit.

The largest labor union in the U.S., the AFL–CIO, and consumer advocates like Americans for Financial Reform and others wrote a letter saying that taken together, these changes would be more damaging than the sum of their parts, leaving the financial system dramatically weaker and more vulnerable to instability and crisis.

Now, Republicans made some technical changes at the request of Trump regulators, but let me give you another example of what they didn't fix.

Wells Fargo, which many of you may remember created millions of fake consumer accounts and has been the subject of countless enforcement actions for consumer harm, like discrimination and anti-money-laundering deficiency, would have a new tool to delay future enforcement actions when consumers have been harmed.

Mr. Speaker, instead of letting Wall Street put Americans and our economy at risk again, we should be addressing the affordability crisis caused by Trump's failed economic policies and endless war with Iran.

Mr. Speaker, I urge Members to oppose this bill, and I reserve the balance of my time.

□ 1500

Mr. HILL of Arkansas. Mr. Speaker, our next speaker has worked tirelessly to assemble this package of bills that will help our Main Street banks and credit unions thrive, grow, better serve their customers, and, in turn, be able to see their local economies benefit.

Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. BARR), the chairman of the Subcommittee on Financial Institutions.

Mr. BARR. Mr. Speaker, I want to start by applauding my good friend from Arkansas, Chairman FRENCH HILL, for his leadership on this critical legislation. Great job working across the aisle for bipartisan support for this legislation that will help strengthen Main Street America.

The Main Street Capital Access Act is exactly the kind of reform needed to advance this committee's goal of making community banking great again. Over the past 18 months, we have worked hard to develop over two dozen banking reform bills—many of them with strong bipartisan support—and combined them into one multifaceted package designed to strengthen our community financial institutions, not big banks, like the ranking member is referring to, community banks, Main Street banks, midsize banks.

If we want to help hold big banks accountable, then what we need is competition. Competition and choice are good for America, good for consumers, and good for financial stability.

Mr. Speaker, I include in the RECORD a link to 14 letters of support from the Consumer Bankers Association, the American Bankers Association, the Bank Policy Institute, the Independent Community Bankers of America, the National Association of Home Builders, and others: https://acrobat.adobe.com/id/urn:aaid:sc:US:4c869bbb-74d2-4d1e-befb-1b3aba1a0be3

Community banks and credit unions are the financial backbone of this country. They finance farms, factories, first-time home buyers, and the local entrepreneurs who create jobs in every corner of America. These institutions don't just serve communities. They are part of the community.

Here is the hard truth: Community banks have suffered under a regulatory framework that forgot who the system should serve. For too long, Washington has been writing rules as if every bank and credit union in America is a trillion-dollar global institution. They are not. They are our hometown banks and community financial institutions.

These guardrails that the ranking member talks about rolling back, we are not rolling back guardrails for big, multitrillion-dollar banks. We are talking about small community financial institutions.

The goal is simple: Regulation should follow the risk, not the ZIP Code or the political fashion. A $500 million community bank in rural Kentucky, rural Arkansas, or rural Michigan should not be regulated under the same framework built for a trillion-dollar institution operating around the globe. That means higher costs, fewer loans, more forced consolidation. This hurts everyday Americans by reducing both access to credit and opportunities for small business growth.

The Main Street Capital Access Act is about changing that. It is about rightsizing this regulatory framework to ensure that community lenders get back to what they do best: serving their customers and their communities.

Main Street opens the door for new bank formation, improving transparency in the chartering process, making applications more predictable, and ensuring rural and underserved communities can once again see new institutions formed instead of watching their local banks disappear.

You want to hold big banks accountable? Allow new banks to form.

It also restores proportionality to regulation, updating capital leverage and enhanced prudential standards to actually reflect a bank's risk profile, not just an arbitrary static asset threshold. That means less money spent on regulatory gymnastics and more money available for loans in your communities.

We are also bringing fairness and due process back to the supervision process. Banks and credit unions should not be governed by opaque examiner preferences. They should be governed by clear risk-based and transparent standards that focus on core financial performance rather than foot faults and check-the-box compliance.

Main Street also addresses the structural problems that are driving consolidation. This legislation requires regulators to ensure clarity and predictability in the merger process so that healthy banks can grow and troubled banks can find partners before they fail. It ensures that when banks do fail, like Silicon Valley Bank, community banks aren't shut out of the resolution process by design.

Finally, this legislation recognizes reality: Innovation is happening. The question is whether it happens inside the banking system, where it is supervised and safe, or outside, where it isn't. This bill lets banks partner, modernize, and compete.

Community banks, Mr. Speaker, are the financial infrastructure of America—rural America, suburban America, urban America. When they thrive, small towns thrive. When they are regulated out of existence, capital dries up and opportunity for local ownership disappears.

The Main Street Capital Access Act is a critical step toward restoring the financial backbone of this country.

Mr. Speaker, I urge all my colleagues to support this legislation.

Ms. WATERS. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York (Ms. VELÁZQUEZ), the ranking member of the Committee on Small Business.

Ms. VELÁZQUEZ. Mr. Speaker, I rise in opposition to H.R. 6955.

Community banks and credit unions are the foundations of our financial system. As ranking member of the House Small Business Committee, I understand better than most the role they play in our communities, offering small business loans, farm loans, and mortgages. They are critical lifelines to our rural and underserved communities that have been left behind by our biggest banks.

While I believe in sensible tailoring to help community banks and credit unions do what they do best—deliver personalized products to meet the needs of their customers—this bill moves far beyond sensible tailoring.

Instead of focusing on modest improvements, this package represents the largest amount of bank deregulation since before the financial crisis. It includes sweeping reforms that will not only significantly roll back necessary safeguards and weaken oversight, but it will also undermine consumer protection and antidiscrimination measures and hamper the CFPB's ability to issue new rules. This deregulation package will push risk into the shadows and make the next publicly financed bailout more likely.

This is especially concerning at a time when financial regulatory agencies are under political attack, pursuing industry-friendly agendas, and are starved of resources. That is why more than 25 labor, consumer, housing, economic justice, and public interest organizations are opposing this bill.

The SPEAKER pro tempore. The time of the gentlewoman has expired.

Ms. WATERS. Mr. Speaker, I yield an additional 30 seconds to the gentlewoman from New York.

Ms. VELÁZQUEZ. Mr. Speaker, I urge my colleagues to vote "no" on this bill.

Mr. HILL of Arkansas. Mr. Speaker, our next speaker has worked in this House for over a decade, speaking on behalf of Main Street Michigan. From that real estate community, from his own background, his own business entrepreneurship and that of his family, he knows the value of how our local financial institutions help grow an economy and have more opportunities.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. HUIZENGA), the vice chairman of the House Committee on Financial Services.

Mr. HUIZENGA. Mr. Speaker, as a small business owner, I have seen it. I have lived it. When community banks disappear, families and small businesses lose the local lenders who know their communities and their customers best. Less competition means fewer financing options, higher borrowing costs, and less investment on Main Street, not Wall Street, as some of my colleagues are trying to assert.

This bill lowers unnecessary regulatory costs for community and midsize banks, not those big business center banks on Wall Street and in New York and around the world. In fact, this ends debanking. Mr. Speaker, it restores the flexibility these institutions need to better serve you and your family.

□ 1510

I am also pleased that this bill includes two of my bills: the FDIC Board Accountability Act, which strengthens governance of the FDIC board on behalf of smaller institutions, and the Enhancing Bank Resolution Participation Act, which simply seeks to bring more qualified bidders into failed-bank resolutions when disaster strikes.

Better oversight and broader participation can protect depositors. It is going to promote competition. It reduces further concentration in the banking system, and I would think, Mr. Speaker, we would want that. However, it appears that some on the other side do not.

This package makes it easier to form new banks, strengthens local funding and liquidity, and helps community lenders put more deposits to work financing homes, small businesses, and entrepreneurial dreams.

At a time when Americans are struggling with everyday expenses, Washington should not make credit more expensive through needless red tape.

H.R. 6955, the Main Street Act, will promote competition. It will expand access to capital and help make life more affordable for American families.

I thank the chairman both of the full committee as well as our subcommittee, and I urge passage.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Let me be clear: Dodd-Frank has not led to bank consolidation. That trend began when Congress repealed Glass-Steagall almost 30 years ago. What Dodd-Frank has done is ensure the longest stretch of economic growth in a generation. The threat to community banks is not Dodd-Frank, but it is to repeal it and return to their needless days, reckless days that led to the 2008 financial crisis.

Just last week, we passed my bill as part of the 21st Century ROAD to Housing Act. My bill eased the requirements on new banks. H.R. 6955, however, would set new banks up for failure. In fact, the bill undermines much of what we were trying to accomplish when we worked together in a bipartisan way.

What we have to do at this point in time is understand a provision of the housing bill that was carefully negotiated. Mr. Speaker, I thought we all were supposed to be in support of the housing bill. Everybody raved about the greatness of it. Now, 10 days after it became law, now some on the opposite side of the aisle are already trying to undo the bill.

Now, this bill will actually make it easier for more, not less consolidation. The bill is bad for new banks but great for megabanks.

Let me just say this: We all talk about loving community banks. I want you to know it is not the talk about loving community banks, it is action and what we do for or against them. I want you to know the big megabanks don't even want them in their doors. They don't even want to have those working behind the counter serving us. They have you serving from outside the bank.

When you can get in touch with them, I want you to know, you have got to go through a hell of a menu to try to talk with someone that maybe in a community bank you can talk to.

Do you know why we love community banks? It is because they understand the community. They know the people in the community. They work with you when you have a problem.

The megabanks don't know you, don't care about you, don't do anything to assist you, and hope you can't get through their menus in order to speak with anybody.

I say, it is not a lot of talk about loving community banks. It is action and what you do.

Now, then you come in here talking about how much you love the community banks, yet you know that you can't get the deregulation that you are doing unless you hid behind the community banks. If you love the community banks, all you have got to do is work with us to separate the regulations in a way that it does not undermine the community banks.

If you want to be fair, charge all your big friends and all the big banks everything they should be charged with regulation.

This is about whether or not you are going to use your power to literally undo what we have worked so hard to do to give the average person a decent chance with a bank, and that is community banks.

Mr. Speaker, I am asking for a ''no'' vote on this bill because, in the final analysis, I know that if you get away with these deregulations, we are going to have consolidation. It will only be five banks, almost only five big banks in the country that control everything. I am asking for a ''no'' vote, and I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me address that comment that the ranking member has articulated, which is that somehow this bill reduces the power of community banks to compete with the big, globally systemic banks that she described.

I would really argue just the contrast. This bill tailors the regulatory compliance so that a bank with a straightforward, simple business plan that is well managed, that is well capitalized can have a lower tailored compliance cost compared to the one-size-fits-all approach that was a part of Dodd-Frank aimed at those big, Wall Street globally systemic banks.

Secondly, if you don't want them to grow, then you want community banks to have access to more capital. That is offered in this bill. You want them to be more successful. That is offered in this bill.

You want them to be able to buy a failing bank on their own or with partners to compete with the biggest banks in the country who are just simply given banks that need resolution at the FDIC. If a small bank fails in some State, they just let the big banks bid on them.

This bill creates competition. Chairman BARR walked through that. This actually increases the chance for entrepreneurs to acquire, unfortunately at the demise of a local bank, so that it is not sold to some big Wall Street lender.

I could go on with all the benefits of this bill that is tailored and focused on the growth and success of our Main Street institutions, but I can think of no better person to help me make that case than the next speaker.

Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LOUDERMILK), the vice chairman of our Financial Institutions Subcommittee.

Mr. LOUDERMILK. Mr. Speaker, I thank the chairman of the Committee for his hard work on this and for including several of my provisions in this bill that is designed for the small guy.

I obviously rise in support of H.R. 6955 not only because it is a good bill, but also because I recognize the need to rightsize Federal regulations and gain more transparency into the financial regulatory process.

For too long, Federal financial regulators have taken this one-size-fits-all approach. If we applied that same status to ourselves, then let's just issue every Member of Congress one suit of clothes so that we all wear the same suit of clothes. Now, we wouldn't accept that because we would only have clothes to fit the largest Member of Congress.

What we are saying is that is what we have in the financial services industry right now. We need to tailor the regulations to fit the business model of the business, especially the small business. That is why I am proud that my TAILOR Act has been included in this package.

I can't stress enough the importance of the TAILOR Act because it is for the little guy. It is important because it requires all future regulations to be tailored to the risk of the regulated institution. It rewards institutions that adopt sound risk management practices with fewer regulations and punishes those who take an unhealthy amount of risk.

I also wish to highlight my New BANK Act, which requires Federal financial regulators to publish annual reports on applications received for creating new financial institutions. These reports will help give critical insights to the current de novo chartering process and how Congress can reduce complexities and redundancies in the system.

To conclude, Mr. Speaker, I believe this legislative package with my bills included is much more aligned with the goal of a safe and sound financial system that works for all the American people, and I urge my colleagues to support this bill.

□ 1520

Ms. WATERS. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. GARCIA), who is a big supporter of community banks.

Ms. GARCIA of Texas. Mr. Speaker, I rise against H.R. 6955. Instead of the Main Street Act, this bill, Mr. Speaker, should be called the Wall Street wins Main Street loses act.

It does not help end the affordability crisis, feed hardworking Americans, or keep a roof over their heads. Instead, this bill sneaks in deregulatory measures, further weakens the Consumer Financial Protection Bureau, and weakens community reinvestment and anti-discrimination safeguards.

For this reason, at the appropriate time, I will offer a motion to recommit this bill back to committee.

If the House rules had permitted it, I would have offered the motion with an important amendment to this bill. My amendment would limit the provisions of this bill from applying to any globally systemically important bank holding companies. Simply put, it ensures that the bill's deregulatory provisions do not apply to megabanks.

Mr. Speaker, I ask unanimous consent to insert the text of my amendment into the RECORD immediately prior to the motion to recommit.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

Ms. GARCIA of Texas. Mr. Speaker, I hope my colleagues will join me in voting for the motion to recommit. Let's send this back to Committee so that we can make sure that it truly works for our community banks and that it does not give Wall Street another big win.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank Mr. LOUDERMILK who spoke a moment ago. The vice chairman of our Subcommittee on Financial Institutions made a very good point also about how this bill strengthens competition.

Chairman ANDY BARR of Kentucky, Ranking Member WATERS of California, and Mr. LOUDERMILK all mentioned the importance of encouraging de novo banks, meaning start-up banks, particularly in our fast-growing communities that have seen disproportionate business and population growth, like south Florida or other places across the Nation.

All three of those Members have something in common, which is they support greater de novo provisions. We had Ms. WATERS in the housing bill, and we have two in this bill that encourage start-up banks and encourage the regulators to work and have a better strategy for start-up financial institutions because that means that they can meet the growth.

What does that do, Mr. Speaker?

It increases competition for the biggest companies because they are close to customers, they have a business strategy, and they are unique to the marketplace. That is another example of how this bill is, in fact, counter to the assertion that it is only geared towards Wall Street institutions.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. MEUSER), who understands finance from both the point of view of one of our biggest and most industrial States, Pennsylvania, having been a statewide officer as well as a highly successful manufacturer and entrepreneur. Mr. MEUSER is the chair of our Oversight and Investigations Subcommittee.

Mr. MEUSER. Mr. Speaker, I commend our chairman, FRENCH HILL, for his excellent leadership.

I do rise in support of the very appropriately named Main Street Capital Access Act introduced by Chairman HILL and Subcommittee Chairman BARR. The legislation does exactly what it says. It supports access to capital for Main Street.

At the start of this Congress, Chairman HILL said one of our Committee's priorities was to make community banking great again. Since then, we have advanced the package of bills before us that is the largest community bank deregulatory reform effort since the 1990s.

Mr. Speaker, 20 years ago, community banks financed 65 percent of home loans in this country. Today, it is less than 30 percent. This bill helps reverse that trend. It lowers capital hurdles so new community banks can form, and it tailors bank regulations so small and midsize banks are regulated fairly.

These changes allow banks to extend more mortgages, be more competitive on small business loans, and improve access to credit for all Americans. This is a housing bill, a small business bill, an affordability bill, and an access to capital bill.

Importantly, the bill also includes legislation to codify President Trump's executive order preventing debanking, such as my bill, the SAFE Guidance Act, which affirms guidance does not have the effect of law.

Both guidance and reputational risk were weaponized under previous administrations to debank legitimate, legal businesses.

This bill corrects those wrongs. This legislation supports community banks, protects Main Street across the country, and I urge support.

Ms. WATERS. Mr. Speaker, may I inquire how much time for each side is remaining.

The SPEAKER pro tempore. The gentlewoman from California has 15 minutes remaining. The gentleman from Arkansas has 8½ minutes remaining.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I will mention again one of the atrocities that I have been able to experience working on these issues.

Again, Wells Fargo was fined $3.7 billion just a few years ago for widespread mismanagement of automobile loans and mortgages. Their actions included unlawful fees and even repossession of cars.

Now, someone would say, $3.7 billion, well, I want you to know they make so much money that is just a cost of doing business. They will keep doing it if we keep allowing them to get away with what they are trying to get away with today.

If my friend wants a guarantee that this bill helps Wells Fargo, then he should support Ms. GARCIA's amendment that says that megabanks can't benefit from this bill, but I guess he won't.

After all, my friend knows that today is Dodd-Frank's birthday, and he is the skunk at the party. There is so much that we could point out that the average citizen knows in dealing with their banks. The average citizen is tired of being treated in the way that they are treated by their banks.

I tell my friend that he is correct in the support that he did for the big bill that Mr. HILL and I worked so hard on. We have a lot in that bill.

But let me point out one of the things in that bill that gives us cause to be concerned. Right now, Mr. Speaker, if you find a residence that you would like to buy, particularly if you are in a rural community, or you may be a low-income community, but you work every day and you can afford a house for maybe $90,000 to $100,000, the bank doesn't want to be bothered with you. The bank wants the big loans. The bank wants the million-dollar loans. They want the half-billion-dollar mortgages. They don't want the small mortgages.

Guess what, Mr. Speaker. They don't do them.

As a matter of fact, many communities where there are residents who could afford the houses in their community are sold out to private equity firms and others who come and buy these houses for pennies on the dollar, but they won't sell them to you, Mr. Speaker, because you don't look like a big profitmaker for them.

I am so pleased I worked with Mr. HILL, and we have done something to change that to encourage the banks to pay attention to those who can afford that $90,000 house, that $100,000 house, that $150,000 house, that $200,000 house. They are working every day. They can afford it, but the banks are not interested.

My friend tells me that we should not be concerned about deregulation that puts these banks in a position where they are not only moving toward consolidation, but they are taking over banking in ways that will help them to get richer and richer.

Guess what, Mr. Speaker. They will keep paying the fines, the big banks will, because that is the cost of doing business, and they still make money. This is outrageous. This is ridiculous.

No more deregulation. No more looking at how you can frame it in such a way, Mr. Speaker, that you are saving the community banks. Mr. Speaker, you are not saving the community banks. As a matter of fact, you are putting them out of business.

Mr. Speaker, I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield 1 minute to the gentleman from the beautiful territory of Guam (Mr. MOYLAN). He has a strong background in financial services, healthcare, business, and insurance.

Mr. MOYLAN. Mr. Speaker, I rise today in support of H.R. 6955, the Main Street Capital Access Act.

When the people of Guam set out to enterprise new business ventures, we turn to our community banks to raise capital. However, much of America's financial system is not designed with small businesses in mind. While big banks have the resources to cut through red tape, small community ventures often struggle to comply with a regulatory regime that never had them in mind.

The Main Street Capital Access Act makes commonsense reform, tailoring regulations so small lenders can comply, while opening more resources to the new banks, small banks, and rural banks which serve communities like Guam. This bill will give the Guam business community a fair chance, and I thank the Financial Services Committee for their work on this legislation.

□ 1530

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, proponents say this bill is just for community banks, but here we have another example of the Big Banks sneaking in their rollbacks.

I have four postings from the Bank Policy Institute, which represents all of the largest banks, like Wells Fargo. These postings advocate for indexing regulatory thresholds to nominal GDP instead of inflation. Why? It allows more and more banks to escape regulatory scrutiny.

This bill will give Trump's regulators—and only Trump's regulators—the opportunity to index 40 different thresholds to let large banks off the hook. Wall Street is making record profits while they are helping them.

Mr. Speaker, for those of us who really care about community banks, we want to keep them because they service their communities in a more profound way. Again, I will repeat: They know and understand when you have a problem, you can call a big bank and you will find nobody. You will go through different menus that they have, but you will not be able to walk into the bank and talk to somebody sitting at a desk who will help you with your problem. Do I have to say more?

Mr. Speaker, I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. KNOTT).

Mr. KNOTT. Mr. Speaker, I rise today in strong support of H.R. 6955, the Main Street Capital Access Act.

For the vast majority of our Nation's history, community banks were the primary artery into progress for all Americans. That reality is being threatened today by sloppy and ineffective policies that originate right here in Washington, D.C.

Whether it is the Dodd-Frank regulatory structure or the millions of rules and regulations that are in existence today, community banks have been choked out by these all-encompassing regulations.

With administrative costs rising every year, local banks simply cannot afford to operate. We can see this most clearly in 1980 where there were more than 14,000 community banks in the United States. Now because of the regulatory structure of the current market, there are roughly 4,000 community banks. This stifles lending, reduces competition, and makes it harder for Americans, especially in rural communities, to access capital. Put plainly, the current regulatory climate punishes community banks, and it benefits larger international banks.

My home State of North Carolina has long had a proud history of vibrant community banks. Today, there are very few exceptions to this, but there are really only two choices for community banks in today's market if they want to survive. That is to grow large enough to be acquired or to merge with another institution. Whether it was Wachovia, First Citizens, BB&T, or Bank of America, each of these began in North Carolina as a local community bank before growing and becoming a key player in our economy through a merge or an acquisition.

It is time to restore a market that welcomes and protects community banks, a market that encourages competition, and most importantly, one that serves the American citizen. H.R. 6955 does just that.

Mr. Speaker, I thank Chairman HILL for his important work on this legislation, and I strongly urge my colleagues to support this bill today.

Ms. WATERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, a wide variety of labor, consumer, and civil rights groups are strongly opposed to this bill. Let me read from one of the letters we received: ''The National Community Reinvestment Coalition (NCRC) and our network of 700+ community organizations urge Members to oppose H.R. 6955, the Main Street Capital Access Act and vote no on the House floor.''

That is what we are being urged to do by our supporters.

''H.R. 6955 is a broad bank deregulation package that would weaken fair lending transparency, community accountability, bank supervision, and merger review. The bill would reduce the tools regulators and communities rely on to detect redlining, monitor access to credit, evaluate bank mergers, prevent harmful consolidation, and hold financial institutions accountable to the people they serve.''

The signers of the letters don't just come from blue States but from all over the United States of America. This includes Build WyCo from the great State of Kansas. We also have Building Neighborhoods Together in Pennsylvania, Fair Housing Center of Northern Alabama, and Freedom Equity in Ohio. More signers include Georgia Advancing Communities Together, the Neighborhood Recovery Community Development Corporation in Texas, and the United States Broadway Corporation in New Mexico.

I could go on and on, but there is no time for that.

Mr. Speaker, I include in the RECORD the letter from NCRC.

NATIONAL COMMUNITY REINVESTMENT COALITION

July 21, 2026.

Re Oppose H.R. 6955, the Main Street Capital Access Act.

Hon. HAKEEM JEFFRIES,
Democratic Leader, House of Representatives, Washington, DC.

Hon. KATHERINE CLARK,
Democratic Whip, House of Representatives, Washington, DC.

Hon. PETE AGUILAR,
Chair, House Democratic Caucus, House of Representatives, Washington, DC.

DEAR LEADER JEFFRIES, WHIP CLARK, CHAIR AGUILAR, AND MEMBERS OF DEMOCRATIC LEADERSHIP: The National Community Reinvestment Coalition (NCRC) and our network of 700+ community organizations urge Members to oppose H.R. 6955, the Main Street Capital Access Act and vote no on the House floor.

H.R. 6955 is a broad bank deregulation package that would weaken fair lending transparency, community accountability, bank supervision and merger review. The bill would reduce the tools regulators and communities rely on to detect redlining, monitor access to credit, evaluate bank mergers, prevent harmful consolidation and hold financial institutions accountable to the people they serve.

NCRC appreciates the inclusion of CDFI-related provisions, including CDFI Fund transparency and CDFI Bond Guarantee Program improvements. However, those revisions do not fix the bill's core problem: H.R. 6955 moves federal banking policy in the wrong direction by weakening community accountability, fair-lending transparency, merger review and supervisory safeguards.

Earlier this year, NCRC urged a no vote when H.R. 6955 was considered in committee. All Democratic members who were present voted no in Committee: We urge you to continue that opposition and vote no on the House floor.

1. H.R. 6955 would sharply limit monopoly and competition review for mergers involving roughly 96 percent of all banks.

Section 601 would prohibit federal banking regulators when evaluating many mergers resulting in institutions below $10 billion in assets from engaging in a competition review and thus they cannot consider whether the mergers would create monopolies or substantially lessen competition. The latest floor version preserves competition review where a transaction would leave only one insured depository institution with a physical presence in the area. This narrow exception does not solve the problem and protects only against the most extreme case, while preventing regulators from reviewing many mergers that could still substantially reduce competition, reduce branch access, or weaken small-business, agricultural and consumer credit options in local markets.

Because roughly 4,129 of the nation's 4,287 insured banks (or approximately 96 percent) hold under $10 billion in assets, this carveout would cover a large share of community and regional bank merger activity. The problem is especially acute in rural counties and smaller local markets. A merger between two banks that are not nationally large can still have significant local consequences. In many communities, the loss of one local institution can mean fewer branches, reduced small-business lending, less agricultural credit, weaker customer service, and fewer banking choices.

NCRC conducted an analysis of every US county to assess the impact of potential mergers between the two largest banks in each county, with their combined assets being under $10 billion. NCRC found that 641 counties, predominantly rural, would shift from competitive markets to highly concentrated markets. In ten counties, one bank would control 100 percent of all local deposits. According to the FDIC's Merger Decisions Annual Report to Congress (2024), regulators approved 61 regular bank-merger applications in 2023. Of those, 57 out of the 61 would have resulted in institutions less than $10 billion. Under H.R. 6955, many comparable transactions would fall within the bill's competition-review safe harbor, unless the narrow one-physical-depository-institution MSA exception applied.

2. H.R. 6955 would weaken CRA, HMDA and fair lending accountability

Section 204 would substantially reduce the tools communities rely on to ensure fair access to credit and hold banks accountable to local needs. The floor version no longer uses the same mechanics as the committee-reported bill, but the core concern remains: Section 204 would create an automatic increase for statutory thresholds across consumer and community-focused laws, including the Community Reinvestment Act and the Home Mortgage Disclosure Act.

Beginning in 2031 and every five years after that, Section 204 would require the Federal Reserve to raise the dollar cutoffs in laws like CRA and HMDA that determine which banks are subject to stronger reporting, examination and accountability rules. The Fed would decide whether to base those increases on nominal GDP or inflation.

That is the wrong test for community accountability. Nominal GDP measures the size of the overall economy, while CPI measures inflation. Neither one measures whether banks are serving communities fairly, the rates of redlining, the extent of market concentration, have sufficient data to detect discrimination, and whether credit needs in LMI communities are being met. A larger economy does not mean community needs are being met.

The same problem applies to inflation indexing. Adjusting thresholds for CPI may sound technical or even routine, but in this context, this approach would still cause fair-lending transparency to shrink automatically over time without any finding that communities are being served fairly.

For NCRC and our members, the HMDA and CRA implications are especially serious. HMDA data is one of the primary tools used to detect redlining, evaluate whether lenders are serving borrowers and neighborhoods fairly, and identify gaps in mortgage access. CRA examinations are one of the few mechanisms that require banks to demonstrate that they are meeting the credit needs of their entire communities, including low- and moderate-income neighborhoods.

3. H.R. 6955 would compress merger review and sideline community evidence

Section 604 would set a fixed 120-day clock for certain applications, beginning at the time of filing even if the submission is incomplete. If the Federal Reserve fails to act within that period, the application would be deemed granted.

That is a dangerous standard for complex bank transactions. Merger review should focus on whether a transaction will serve the convenience and needs of affected communities, preserve access to banking services, protect consumers and avoid harmful concentration. It should not be driven by an artificial clock that rewards incomplete applications and pressures regulators to approve deals quickly.

Section 604 would also restrict how regulators treat information from outside parties when determining whether an application is complete, potentially discounting community and consumer evidence that is often essential to understanding a transaction's real-world impact. Community groups, local officials, small businesses and affected residents are often able to identify branch closure risks, fair lending concerns, weak CRA performance or service gaps that are not evident from the applicant's own submission.

4. H.R. 6955 focuses on how long merger approval takes, instead of whether mergers benefit local economies.

Section 603 directs the Inspector General of each Federal depository institution regulatory agency to conduct a study every three years on the ''timeliness and efficiency'' of merger approvals, including number of days it takes to process merger applications and the identification of ''sources of delay.'' Merger applications warrant scrutiny to evaluate their effect on each of the statutorily required factors of review, including how a proposed combination will serve the convenience and needs of the affected communities. Studies show signs of decreased small business lending after mergers, as well as lower rates paid to customers for deposits. However, despite this evidence, practically all merger applications are currently approved. Local economic needs would be much better served by directing the agencies to study the actual impacts of mergers and bank consolidation, instead of counting days to pressure regulators to make decisions faster.

Furthermore, concerns about the timeliness of merger reviews appear to be unfounded. NCRC analyzed the approval times of 18 merger applications submitted to the OCC in 2024. As shown in the table below, we found that the median days for approval after receipt of an application was 60 days, and that the average was 84 days. In other words, about half of these applications were approved 30 days after the end of a 30-day public comment period.

5. H.R. 6955 would pressure regulators to ignore reputational risk

Section 304 would pressure federal banking agencies to remove reputational risk from supervision. This provision is framed as preventing regulators from using vague concepts to pressure banks, but the practical effect would be to create blind spots.

Reputational risk is not simply ''bad press.'' It can be a warning sign of deeper institutional failures: predatory lending, discriminatory treatment, abusive fees, money laundering, fraud, weak compliance systems or repeated consumer complaints. Regulators should not be forced to ignore patterns of harm merely because those patterns also damage a bank's reputation.

Communities often experience these harms before they show up as capital problems. If regulators are barred from considering reputational risk, they may lose an important early-warning tool for identifying conduct that threatens consumers, communities and the institution itself.

CONGRESS SHOULD REJECT H.R. 6955

The bill's supporters argue that H.R. 6955 will help local banks. What the bill actually does is weaken fair lending transparency, reduce CRA and HMDA accountability, make bank mergers easier, limit meaningful community input, and make supervision more difficult.

NCRC is especially concerned that fair lending, CRA, HMDA and consumer protection requirements are recast as regulatory burdens rather than public accountability tools. These laws exist because markets have not reliably served all communities fairly. They help identify discrimination, credit gaps, support enforcement, and ensure that banks receiving public benefits meet public obligations.

For these reasons, we urge Members to oppose H.R. 6955 and vote ''no'' on final passage.

Sincerely,

JESSE VAN TOL,
President and CEO,
National Community Reinvestment Coalition.

SIGN ON ORGANIZATIONS AND STATES

ACHD—Washington, ASIAN, Inc.—California, Brighton Park Neighborhood Council—Illinois, Build WyCo—Kansas, Building Neighborhoods Together, Inc.—Pennsylvania, California Coalition for Rural Housing—California, CASA of Oregon—Oregon, Ceiba—Pennsylvania, Community Development Network of Maryland—Maryland, Community Housing Development Corporation—California, Delaware Community Reinvestment Action Council Inc.—Delaware, Development Finance Authority of Summit County—Ohio, Economic Action Maryland Fund—Maryland, Fair Finance Watch—New York, Fair Housing Center of Northern Alabama—Alabama, Freedom Equity Inc.—Ohio, Georgia Advancing Communities Together, Inc.—Georgia.

Help The People Programs, Inc—Georgia, Homes on the Hill CDC—Ohio, Housing Education and Economic Development (HEED)—Mississippi, Impact Hub Baltimore Inc.—Maryland, Long Island Housing Services, Inc.—New York, Neighborhood Recovery Community Development Corporation—Texas, New Jersey Citizen Action—New Jersey, People's Opportunity Fund—California, Philadelphia Association of Community Development Corporations—Pennsylvania, Proud Ground—Oregon, Rural Housing Coalition of New York—New York, South Dallas Fair Park Innercity Community Development Corporation—Texas, Southwest Community Development Corporation—Pennsylvania, TCH Development Inc—Texas, United Ballot—Louisiana, United South Broadway Corporation—New Mexico, Utah Housing Coalition—Utah, Women's Economic Ventures—California.

Ms. WATERS. Members have a choice today. Whose side are you on? Do you want to advance Donald Trump's deregulatory agenda to help out his wealthy friends on Wall Street, or are you on the side of working families, labor unions, consumers, and civil rights groups like those all over the country who just want equal and fair access to affordable financial products and services?

For many of you who have been in this struggle with banks, where you have tried to get help with all kinds of issues, I want you to, again, go to your bank where you have a problem—don't go because they are only available on the phone—and state your problem. See who you can get to talk to. See if you can get an appointment. See if you can get some answers to the questions that you have.

You can't do this with these big mega banks. They don't have time for you. They don't have time to listen to you talking about how you only have $200,000 and you want to buy this House around the corner. They are not interested in that.

They are interested in the big money. They are interested in not only providing the loans for those who are spending a half million or so on a bank that they are trying to use to get a house.

It is clear: The Big Banks are sick and tired of the way that they are being treated. They know they have a lot of power and a lot of friends in the Congress of the United States of America.

They don't know a new day is coming and a new way is coming. People are learning more and more why they have a right to be disturbed about the way that they are being treated.

I tell people: Don't be afraid to confront those Big Banks. Call us. Get your legislator to help you out. That is what we are supposed to do. Sometimes they can't find us.

Mr. Speaker, I reserve the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, I reserve the balance of my time.

□ 1540

Ms. WATERS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I have another letter that says: ''This dangerous bank deregulation package would undermine core safeguards and supervision, push risk into the shadows, and make the next publicly financed bailout more likely. Further deregulation is especially alarming at a time when financial regulatory agencies are under political attack, pursuing industry-friendly agendas, and starved of resources, and when there is effectively no oversight of financial markets.''

It was signed by the AFL–CIO, Americans for Financial Reform, and dozens of others.

Mr. Speaker, I include this letter in the RECORD.

JULY 21, 2026.

Re Oppose bank deregulation package H.R. 6955, the Main Street Capital Access Act or the Main Street Act.

Hon. MEMBER OF CONGRESS,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: The 28 undersigned labor, civil rights, democracy, consumer, housing, economic justice, and public interest advocacy organizations are writing to oppose H.R. 6955, the Main Street Capital Access Act or the Main Street Act. This dangerous bank deregulation package would undermine core safeguards and supervision, push risk into the shadows, and make the next publicly financed bailout more likely. Further deregulation is especially alarming at a time when financial regulatory agencies are under political attack, pursuing industry-friendly agendas, and starved of resources, and when there is effectively no oversight of financial markets.

H.R. 6955 treats bank rules as burdens to be minimized rather than what they are: essential safeguards that reduce the likelihood and severity of systemic risk, bank failures, and publicly financed bailouts, while protecting consumers from predatory practices, redlining, and other forms of racial discrimination in lending.

Sections 201–204 would raise statutory thresholds, extend ''tailoring'' well beyond genuinely small and simple banks, and hardwire automatic future threshold increases. As a result, fewer institutions, activities, and risks would remain within baseline guardrails even as the financial system grows more complex and interconnected. The combined effect would be higher leverage and risk-taking, thinner cushions against losses, and weaker prudential standards. It would return the financial system to a pre-2008 pattern in which risk migrates out of view, problems build for years at midsize and large institutions, and the public is left holding the bag when those institutions fail.

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The supervision and governance provisions in Sections 301–304 and 401–403 would tie regulators' hands by narrowing what examiners may consider, slowing supervisory action, and giving banks more opportunities to appeal, contest, and delay findings. At the same time, the bill would weaken transparency and accountability, making it harder to detect problems early and intervene before they turn into crises.

The competition and merchant banking provisions in Sections 601, 604, and 801 would add new stress points by accelerating bank-fintech/crypto arrangements, and making it easier to rubber stamp mergers and concentration—while expanding merchant banking des that blur the line between banking and commerce and increase conflicts of interest and complexity.

This radical legislation would compound an already aggressive deregulatory spree at the Federal Reserve and other banking agencies. Taken together, these changes would be more damaging than the sum of their parts, leaving the financial system dramatically weaker and more vulnerable to instability and crisis. The provisions discussed below show how H.R. 6955 would magnify ongoing agency deregulation and dismantle safeguards needed to identify and contain risks before they harm families, the financial system, and the broader economy.

SECTION BY SECTION CONCERNS

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

This section would significantly weaken financial regulation by mandating that agencies prioritize reducing compliance costs for financial institutions over protecting consumers and ensuring financial stability. The section would create fertile ground for even large banks to challenge regulations in court by claiming undue burden, potentially overturning existing Dodd-Frank rules and hindering future regulatory actions. Regulators already tailor rules based on institution size and risk, which makes this legislation unnecessary and potentially harmful by creating additional legal and procedural barriers to effective oversight.

Sec. 202. Small Bank Holding Company Relief.

This section would double title consolidated asset threshold under the Small Bank Holding Company and Savings and Loan Holding Company Policy Statement from $3 billion to $6 billion, posing risks to subsidiary small banks and the financial system. This change would allow a broader range of bank holding companies to operate with higher levels of debt and be exempt from certain capital and leverage requirements, particularly in order to facilitate mergers. The Federal Reserve has long recognized that bank holding companies should ''serve as a source of strength for their subsidiary banks.'' Allowing parent holding companies to operate with higher levels of debt would undermine that principle and, instead of ''a source of strength,'' holding companies may even drain the resources of the subsidiary banks in order to service excessive debt. By allowing larger institutions to operate under looser standards, this section could dangerously incentivize increased leverage, reduce bank safety and soundness, and accelerate bank consolidation. Additionally, this threshold has already been eroded over the past decade, raising it from $500 million to $1 billion in 2014, and again to $3 billion in 2018.

Sec. 203. Tailoring and Indexing Enhanced Regulations.

This section would establish automatic increases to asset thresholds for enhanced prudential oversight every five years, allowing problems to fester unaddressed in increasingly large institutions that could have significant systemic implications. The failures of Silicon Valley Bank and First Republic demonstrate the danger of mechanically raising asset thresholds—the last round of tailoring reduced scrutiny of institutions whose failures ultimately required extraordinary government intervention.

Sec. 204. Community Bank Regulatory Tailoring.

Under the pretext of relief for community banks, this section would rewrite a wide swath of federal banking, consumer financial protection, and fair lending laws by mandating automatic increases of a broad range of statutory thresholds every five years based on inflation or nominal economic growth. The practical effect would be to steadily and broadly expand the number and size of banks that are excluded from regulatory oversight. The threshold increases would inappropriately reduce compliance under statutes that were designed for genuinely smaller and simpler banking institutions with limited systemic footprint, and would happen without any determination as to whether the affected exemptions remain appropriate, whether the institutions have become more complex or interconnected, or whether raising the thresholds would create new supervisory gaps. Over time, this section would reduce the number of institutions and activities subject to baseline guardrails, weaken transparency, increase conflicts of interest, and blunt early warning and accountability tools embedded in the Federal Deposit Insurance Corporation (FDIC) framework. At a time of overlapping risks, this kind of across-the-board threshold inflation is likely to lead to supervisory and regulatory gaps and obscure risk from view until it is too late—all simply because the economy has grown or prices increased. The result would be a banking system that is more opaque and less resilient when conditions worsen—increasing financial fragility and the probability that losses will need to be socialized through emergency interventions or outright bailouts.

Importantly, the automatic increases of supervisory thresholds would include—and thus periodically erode—Home Mortgage Disclosure Act (HMDA) coverage and Community Reinvestment Act (CRA) applicability, undermining fair lending accountability and weakening critical tools that help detect and deter redlining and other forms of racial discrimination in mortgage and small business lending.

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

This section would undermine effective bank supervision by restricting the CAMELS rating system to ''objective'' criteria only, sidelining important qualitative factors like management quality and reputational risk. These factors are essential in identifying and deterring harmful practices, such as predatory lending, money laundering, and risky environmental exposures. While not easily quantifiable, sound management and public confidence have repeatedly proven vital to bank stability, as evidenced by failures like Riggs Bank, SVB, and Credit Suisse. The proposed changes would not eliminate risk but would instead conceal real risks from regulators, making supervision more mechanical and increasing the likelihood of future financial crises.

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

This section would significantly weaken bank supervision by allowing bank to appeal any supervisory determination to a new external ''Office of Independent Examination Review,'' which would conduct a de novo review without deference to the original findings. This additional appeals process, layered atop existing mechanisms, would enable banks, especially large banks, to challenge numerous supervisory findings, thereby impeding effective oversight. Such changes would undermine the post-2008 financial crisis regulatory framework, increasing systemic risks and exposing the public to potential abuses. Robust supervision is necessary to maintain financial stability and protect consumers, and this section undermines it.

Addidonally, this section now includes new language that would also allow banks, credit unions, executives, and other institution-affiliated parties to move certain enforcement and civil penalty proceedings from the appropriate regulator to federal district court. This would give regulated firms another avenue to delay and complicate enforcement, increasing litigation costs and weakening regulators' ability to address misconduct and unsafe practices promptly.

Sec. 304. Financial Integrity and Regulation Management.

This section would open the door and pressure regulators to remove reputational risk considerations when assessing a bank's safety and soundness. Reputational damage has historically contributed to instability in major banks. Eliminating consideration of reputational risk would hinder regulators' ability to identify and mitigate risks, potentially increasing the incidence of money laundering, financial fraud and exploitation, national security threats, and bank failures. Please also see this letter signed by 25 public interest organizations opposing the FIRM Act (H.R. 2702).

Sec. 401. FDIC Board Accountability.

This section would alter the criteria for serving on the FDIC, reduce the consideration of consumer protection and enforcement of consumer protection and consideration of regulatory compliance.

Sec. 402. Stop Agency Fiat Enforcement of Guidance.

This section would require financial regulators to emphasize that supervisory guidance is not legally binding and that failure to follow guidance does not itself establish a violation of law. Guidance is an important tool for communicating supervisory expectations, identifying emerging risks, and encouraging institutions to correct unsafe practices before they become violations or crises. The mandated disclaimer could encourage regulated firms to disregard prudent supervisory expectations unless every standard is first imposed through a lengthy formal rulemaking or enforcement action, weakening regulators' ability to respond quickly to developing risks.

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

This section would require financial regulators to conduct more frequent reviews of existing rules and place greater emphasis on cumulative compliance costs and regulatory burdens. This would still institutionalize a recurring deregulatory process that treats longstanding safeguards as burdens to be minimized. These reviews could divert limited agency resources from supervision and enforcement while creating repeated opportunities for industry to weaken or eliminate protections that remain necessary.

Sec. 601. Bank Competition Modernization.

This section would weaken scrutiny of bank mergers involving institutions with less than $10 billion in assets by directing regulators not to consider whether qualifying transactions would substantially reduce competition or restrain trade. This would permit greater consolidation in many local and rural markets without a meaningful assessment of the effects on prices, service quality, branch access, or the availability of small-business and agricultural credit. These anticompetitive problems will be more acute for those with limited transportation and for services that are more commonly received at community banks, like small business loans and farm loans.

Sec. 604. Bank Failure Prevention.

This section would weaken oversight of bank mergers by imposing a strict 120-day deadline—running from initial submission, regardless of whether the record was complete—for regulators to approve or deny applications, regardless of whether the application is complete or all necessary information has been provided. This would limit regulators' ability to consider input from affected stakeholders and properly evaluate the risks of consolidation. Bank merger scrutiny needs to become more robust, and this section would move in the opposite direction—further enabling a pattern of rubber-stamping mergers, increasing costs for depositors, customers, and small businesses as well as heightening systemic risk.

Sec. 801. Merchant Banking Modernization.

This section would extend the alliance between the megabanks and merchant banking that can create anticompetitive problems and complex combinations of banking and commerce, as happened when JPMorgan was charged with manipulating aluminum prices through its merchant bank affiliates' ownership of an aluminum warehouse. These merchant banking partnerships are more likely to run afoul of the mixing of banking and commerce and primarily benefit the biggest banks. There is no need to extend this by 50 percent. Moreover, it is deceptive to suggest that banks need merchant banks to make affordable housing and small business investments, because most banks can and do extend commercial credit for these purposes already.

For the reasons above, we urge you to oppose this dangerous deregulatory package and protect borrowers, small investors, retirees, and the integrity and stability of our financial system.

Sincerely,

African Community Housing & Development (ACHD), AFL-CIO, Americans for Financial Reform, ASIAN. Inc., Communications Workers of America (CWA), Community Housing Development Corporation, Consumer Federation of America, Consumer Reports, Delaware Community Reinvestment Action Council Inc., Fair Finance Watch, Freedom Equity Inc., Georgia Advancing Communities Together, Inc., Indivisible, National Association of Consumer Advocates.

National Community Reinvestment Coalition (NCRC), National Consumer Law Center (on behalf of its low-income clients), New Yorkers for Responsible Lending, Oregon Consumer Justice, Oregon Consumer League, Proud Ground, Public Citizen, Rise Economy, South Dallas Fair Park Innercity Community Development Corporation, Strong Economy For All Coalition, TCH Development, Inc, Transparency Task Force, Utah Housing Coalition, Virginia Citizens Consumer Council.

Ms. WATERS. Mr. Speaker, we know how to support community banks and credit unions. We just did that with our landmark housing bill, and I was pleased to work with the chairman of that committee, Mr. HILL. It became law just a few days ago and included five Republican bills and four Democratic ones that were focused on supporting community banks.

Now, here come Republicans to push for what they and their allies want: financial deregulation. This bill has 24 Republican provisions compared to just 2 from Democrats.

In fact, I am disappointed that my friends on the other side of the aisle are advancing provisions that even contradict our carefully crafted bipartisan agreement in the housing bill.

There is a provision in this bill on de novo banks that goes beyond our bipartisan deal, allowing regulators to decide whether to make permanent reforms that really should be for Congress to decide.

We struck a compromise in passing the 21st Century ROAD to Housing Act, and I think everyone who voted for that should honor that compromise.

Ultimately, Mr. Speaker, this bill is a distraction from what Congress should be focusing on: ending the affordability crisis caused by Trump's failed policies.

Nothing in this bill will help consumers afford groceries or pay for gas. Do you know who is not suffering during the affordability crisis? Wall Street. This bill would loosen the guardrails on Wall Street mega banks even as they report record profits.

Even Chairwoman FOXX admitted that this bill is all about deregulation and rolling back Dodd-Frank, a law she said she strongly dislikes. Chairman HILL said they received drafting assistance from Trump's regulators and banks, but not from organizations that represent workers or consumers.

Mr. Speaker, we are not stupid. We understand that Trump controls all of his so-called organizations that are independent. He tells them what to do. We get that. He is in control. He is running this country. Those people who are selected to run these so-called independent agencies are those who will do nothing but what they are told to do.

That is probably because the groups who represent actual people oppose this bill. That is what they are told to do. That is the leadership they have.

Now is not the time to plant new seeds for the next crisis. Now is not the time to juice the mega banks' profit margins. Now is not the time to legitimize Trump's efforts to gut the CFPB, fair lending, and other consumer protections.

Again, I am so proud and pleased with the work we did in a bipartisan manner. I am so proud and pleased that we were able to negotiate through some very tough times. I am so proud to announce that we had to give some, and we took some. They gave some, and we worked it out.

I don't know exactly what they are being told by Trump, but I know Trump is in charge, and he is charging a lot of what is going on.

I urge my colleagues to please vote ''no'' on this bill, and support the citizens, support their constituents, not Wall Street.

Mr. Speaker, I yield back the balance of my time.

Mr. HILL of Arkansas. Mr. Speaker, may I inquire as to the time remaining.

The SPEAKER pro tempore. The gentleman from Arkansas has 5½ minutes remaining.

Mr. HILL of Arkansas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, first, before I start, I thank the ranking member and the committee members on her side of the aisle for their work with us on developing this bill over many months.

Mr. Speaker, two-thirds of the bills in this package that we are voting on, the Main Street Capital Access Act, are supported by Members on the Democratic side of the aisle. This is a truly bipartisan package of bills.

We have significant work and support from individual Members on the Democratic side of the aisle in partnership with House Republicans.

I also thank Maura Woosley, who is the majority staff director, Jae Jang, and their entire team in the majority working with the minority staff, and the minority staff to craft this package. In Congress, you can't put together the kinds of successful legislative packages that the House Financial Services Committee has done in this Congress without a very hardworking and competent staff. I thank them on both sides of the aisle.

I thanked ANDY BARR, our majority subcommittee chair, a few minutes ago, but I will also thank Dr. BILL FOSTER of Illinois, who serves as the ranking member on our Subcommittee on Financial Institutions for his collaboration with Mr. BARR on this succesful bill.

Mr. Speaker, I heard a lot of charges about this bill, that somehow this bill benefits Wall Street versus Main Street, and I just couldn't disagree more. I noted that two-thirds of these bills have strong Democratic support, along with our Republicans.

Secondly, there is nothing in this bill that weakens consumer compliance. The fair lending laws, the fair housing laws, and the equal credit opportunity laws, all those consumer statutes are upheld in this text. They are not really affected by this text.

Banks have to comply with those laws. They had to comply with those laws before Dodd-Frank, and they comply with them since Dodd-Frank. I reject the idea that somehow we are limiting or curtailing or blocking or making ineffective consumer compliance.

Secondly, it is our hometown banks, both rural banks and urban banks in our towns and cities, that benefit from this banking set of provisions. As the ranking member noted, in our housing bill that we collaborated on successfully—that we got passed and it became law on July 10—banks had some provisions there that helped them.

This is the same theme continuing in this bill. If you are a small, well-managed bank under $6 billion, you get some relief, Mr. Speaker. If you are well-managed, have good capital, you can help schedule your exams.

I was with a community banker in North Carolina this week. The bank is smaller than $500 million, and I said, how are things going? He said, it is going great except when I have five exams in a row and then the loan pipeline goes to zero. Because, guess what, I am the chief loan officer and the chief compliance officer in this small bank, and when my community bank is filled with bank examiners for an IT exam, a trust exam, an investment exam, an AML, anti-money laundering, and Bank Secrecy Act exam, a loan quality exam, a consumer compliance exam, I can't make loans.

If you are well-managed and have high capital, you get some relief in this bill. That is who this bill, Mr. Speaker, is aimed at. If you have a concern that your exam was unfair, we return some fairness in the exam process. You can go and actually question, was my exam fair or not? Whose idea was that, Mr. Speaker? Democrat from Michigan Don Riegle, U.S. Senator, 1995. Was it ever implemented? No, but it will be implemented when this bill becomes law.

This bill is focused on more capital, more deposits, more business, more success for our community banks, which in turn helps every one of our towns in this country.

Who is for it? Community development financial institutions, our CDFIs, have bipartisan support. They are for this bill. Our community development officials across the Nation are for this bill, as they were for the housing bill. The National Bankers Association, our national association for African-American bankers, wrote a letter for this bill.

□ 1350

Mr. Speaker, this bill has overwhelming support to increase competition and help our community banks thrive and succeed, which means our towns will thrive and succeed.

In closing, Mr. Speaker, I urge everyone on both sides of the aisle to support this bill. Echo Alexander Hamilton, our first Secretary of the Treasury, when he said that our banks in this early founding of our Nation are the nurseries of our national wealth.

Mr. Speaker, today, 250 years later, long after the adoption of our government, our community banks, our credit unions, they are the nurseries of the national wealth that help our families and our businesses succeed.

I urge a ''yes'' vote, and I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 1438, the previous question is ordered on the bill, as amended.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Ms. GARCIA of Texas. Mr. Speaker, I have a motion to recommit at the desk.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Ms. Garcia of Texas moves to recommit the bill H.R. 6955 to the Committee on Financial Service.

The material previously referred to by Ms. GARCIA of Texas is as follows:

Ms. Garcia of Texas moves to recommit the bill H.R. 6955 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment:

After section 1, insert the following:

SEC. 2. LIMITATION WITH RESPECT TO G-SIBS.

The provisions of this Act and the amendments made by this Act shall not apply to any global systemically important BHC (as such term is defined in section 217.402 of title 12, Code of Federal Regulations, or any successor regulation).

The SPEAKER pro tempore. Pursuant to clause 2(b) of rule XIX, the previous question is ordered on the motion to recommit.

The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Ms. GARCIA of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

CONTINUING APPROPRIATIONS ACT, 2027

Mr. COLE. Mr. Speaker, pursuant to House Resolution 1438, I call up the bill (H.R. 9770) making continuing appropriations for fiscal year 2027, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 1438, the bill is considered read.

The text of the bill is as follows:

H.R. 9770

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of Government for fiscal year 2027, and for other purposes, namely:

SEC. 101. Such amounts as may be necessary, at a rate for operations as provided in the applicable appropriations Acts for fiscal year 2026 and under the authority and conditions provided in such Acts, for continuing projects or activities (including the costs of direct loans and loan guarantees) that are not otherwise specifically provided for in this Act, that were conducted in fiscal year 2026, and for which appropriations, funds, or other authority were made available in the following appropriations Acts:

(1) The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2026 (division B of Public Law 119–37).

(2) The Commerce, Justice, Science, and Related Agencies Appropriations Act, 2026 (division A of Public Law 119–74).

(3) The Department of Defense Appropriations Act, 2026 (division A of Public Law 119–75).

(4) The Energy and Water Development and Related Agencies Appropriations Act, 2026 (division B of Public Law 119–74).

(5) The Financial Services and General Government Appropriations Act, 2026 (division E of Public Law 119–75).

(6) The Department of Homeland Security Appropriations Act, 2026 (division A of Public Law 119–86).

(7) The Department of the Interior, Environment, and Related Agencies Appropriations Act, 2026 (division C of Public Law 119–74).

(8) The Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2026 (division B of Public Law 119–75).

(9) The Legislative Branch Appropriations Act, 2026 (division C of Public Law 119–37).

(10) The Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2026 (division D of Public Law 119–37).

(11) The National Security, Department of State, and Related Programs Appropriations Act, 2026 (division F of Public Law 119–75).

(12) The Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2026 (division D of Public Law 119–75).

SEC. 102. (a) No appropriation or funds made available or authority granted pursuant to section 101 for the Department of Defense shall be used for:

(1) the new production of items not funded for production in fiscal year 2026 or prior years;

(2) the increase in production rates above those sustained with fiscal year 2026 funds; or

(3) the initiation, resumption, or continuation of any project, activity, operation, or organization (defined as any project, subproject, activity, budget activity, program element, and subprogram within a program element, and for any investment items defined as a P–1 line item in a budget activity within an appropriation account and an R–1 line item that includes a program element and subprogram element within an appropriation account) for which appropriations, funds, or other authority were not available during fiscal year 2026.

(b) No appropriation or funds made available or authority granted pursuant to section 101 for the Department of Defense shall be used to initiate multi-year procurements utilizing advance procurement funding for economic order quantity procurement unless specifically appropriated later.

SEC. 103. Appropriations made by section 101 shall be available to the extent and in the