

113TH CONGRESS
1ST SESSION

H. R. 3036

To amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to specify when bank holding companies may be subject to certain enhanced supervision, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 2013

Mr. LUETKEMEYER (for himself and Mr. BACHUS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Dodd-Frank Wall Street Reform and Consumer Protection Act to specify when bank holding companies may be subject to certain enhanced supervision, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Systemic Risk Des-
5 ignation Improvement Act of 2013”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for the Dodd-Frank Wall Street
8 Reform and Consumer Protection Act (12 U.S.C. 5301

1 et seq.) is amended by striking the item relating to section
 2 113 and inserting the following:

“Sec. 113. Authority to require enhanced supervision and regulation of certain
 nonbank financial companies and certain bank holding compa-
 nies.”.

3 **SEC. 3. REVISIONS TO COUNCIL AUTHORITY.**

4 (a) **PURPOSES AND DUTIES.**—Section 112 of the
 5 Dodd-Frank Wall Street Reform and Consumer Protec-
 6 tion Act (12 U.S.C. 5322) is amended in subsection
 7 (a)(2)(I) by inserting before the semicolon “, which have
 8 been the subject of a final determination under section
 9 113”.

10 (b) **BANK HOLDING COMPANY DESIGNATION.**—Sec-
 11 tion 113 of the Dodd-Frank Wall Street Reform and Con-
 12 sumer Protection Act (12 U.S.C. 5323) is amended—

13 (1) by amending the heading for such section to
 14 read as follows: “**AUTHORITY TO REQUIRE EN-**
 15 **HANCED SUPERVISION AND REGULATION OF**
 16 **CERTAIN NONBANK FINANCIAL COMPANIES**
 17 **AND CERTAIN BANK HOLDING COMPANIES**”;

18 (2) by redesignating subsections (c), (d), (e),
 19 (f), (g), (h), and (i) as subsections (d), (e), (f), (g),
 20 (h), (i), and (j), respectively;

21 (3) by inserting after subsection (b) the fol-
 22 lowing:

1 “(c) BANK HOLDING COMPANIES SUBJECT TO EN-
2 HANCED SUPERVISION AND PRUDENTIAL STANDARDS
3 UNDER SECTION 165.—

4 “(1) DETERMINATION.—The Council, on a non-
5 delegable basis and by a vote of not fewer than $\frac{2}{3}$
6 of the voting members then serving, including an af-
7 firmative vote by the Chairperson, may determine
8 that a bank holding company shall be subject to en-
9 hanced supervision and prudential standards by the
10 Board of Governors, in accordance with section 165,
11 if the Council determines that material financial dis-
12 tress at the bank holding company, or the nature,
13 scope, size, scale, concentration, interconnectedness,
14 or mix of the activities of the bank holding company,
15 could pose a threat to the financial stability of the
16 United States.

17 “(2) CONSIDERATIONS.—In making a deter-
18 mination under paragraph (1), the Council shall use
19 an indicator-based measurement approach, and con-
20 sider—

21 “(A) the size of the bank holding company;

22 “(B) the interconnectedness of the bank
23 holding company;

1 “(C) the extent of readily available sub-
2 stitutes or financial institution infrastructure
3 for the services of the bank holding company;

4 “(D) the global cross-jurisdictional activity
5 of the bank holding company; and

6 “(E) the complexity of the bank holding
7 company.”;

8 (4) in subsection (d), as so redesignated—

9 (A) in paragraph (1)(A), by striking “sub-
10 section (a)(2) or (b)(2)” and inserting “sub-
11 section (a)(2), (b)(2), or (c)(2)”; and

12 (B) in paragraph (4), by striking “Sub-
13 sections (d) through (h)” and inserting “Sub-
14 sections (e) through (i)”; and

15 (5) in subsections (e), (f), (g), (h), (i), and
16 (j)—

17 (A) by striking “subsections (a) and (b)”
18 each place such term appears and inserting
19 “subsections (a), (b), and (c)”; and

20 (B) by striking “nonbank financial com-
21 pany” each place such term appears and insert-
22 ing “bank holding company for which there has
23 been a determination under subsection (c) or
24 nonbank financial company”;

1 (6) in subsection (g), as so redesignated, by
2 striking “subsection (e)” and inserting “subsection
3 (f)”;

4 (7) in subsection (h), as so redesignated, by
5 striking “subsection (a), (b), or (c)” and inserting
6 “subsection (a), (b), (c), or (d)”; and

7 (8) in subsection (i), as so redesignated, by
8 striking “subsection (d)(2), (e)(3), or (f)(5)” and in-
9 serting “subsection (e)(2), (f)(3), or (g)(5)”.

10 (c) ENHANCED SUPERVISION.—Section 115 of the
11 Dodd-Frank Wall Street Reform and Consumer Protec-
12 tion Act (12 U.S.C. 5325) is amended—

13 (1) in subsection (a)(1), by striking “large,
14 interconnected bank holding companies” and insert-
15 ing “bank holding companies which have been the
16 subject of a final determination under section 113”;

17 (2) in subsection (a)(2)—

18 (A) in subparagraph (A), by striking “or”
19 at the end;

20 (B) by striking “the Council may” and all
21 that follows through “differentiate” and insert-
22 ing “the Council may differentiate”; and

23 (C) by striking subparagraph (B); and

24 (3) in subsection (b)(3), by striking “sub-
25 sections (a) and (b) of section 113” each place such

1 term appears and inserting “subsections (a), (b),
2 and (c) of section 113”.

3 (d) REPORTS.—Section 116(a) of the Dodd-Frank
4 Wall Street Reform and Consumer Protection Act (12
5 U.S.C. 5326(a)) is amended by striking “with total con-
6 solidated assets of \$50,000,000,000 or greater” and in-
7 serting “which has been the subject of a final determina-
8 tion under section 113”.

9 (e) MITIGATION.—Section 121 of the Dodd-Frank
10 Wall Street Reform and Consumer Protection Act (12
11 U.S.C. 5331) is amended—

12 (1) in subsection (a), by striking “with total
13 consolidated assets of \$50,000,000,000 or more”
14 and inserting “which has been the subject of a final
15 determination under section 113”; and

16 (2) in subsection (c), by striking “subsection
17 (a) or (b) of section 113” and inserting “subsection
18 (a), (b), or (c) of section 113”.

19 (f) OFFICE OF FINANCIAL RESEARCH.—Section 155
20 of the Dodd-Frank Wall Street Reform and Consumer
21 Protection Act (12 U.S.C. 5345) is amended in subsection
22 (d) by striking “with total consolidated assets of
23 50,000,000,000 or greater” and inserting “which have
24 been the subject of a final determination under section
25 113”.

1 **SEC. 4. REVISIONS TO BOARD AUTHORITY.**

2 (a) ACQUISITIONS.—Section 163 of the Dodd-Frank
3 Wall Street Reform and Consumer Protection Act (12
4 U.S.C. 5363) is amended by striking “with total consoli-
5 dated assets equal to or greater than \$50,000,000,000”
6 each place such term appears and inserting “which has
7 been the subject of a final determination under section
8 113”.

9 (b) MANAGEMENT INTERLOCKS.—Section 164 of the
10 Dodd-Frank Wall Street Reform and Consumer Protec-
11 tion Act (12 U.S.C. 5364) is amended by striking “with
12 total consolidated assets equal to or greater than
13 \$50,000,000,000” and inserting “which has been the sub-
14 ject of a final determination under section 113”.

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

19 (1) in subsection (a), by striking “with total
20 consolidated assets equal to or greater than
21 \$50,000,000,000” and inserting “which have been
22 the subject of a final determination under section
23 113”;

24 (2) in subsection (a)(2)—

25 (A) by striking “(A) IN GENERAL.—”; and

26 (B) by striking subparagraph (B);

1 (3) by striking “subsections (a) and (b) of sec-
2 tion 113” each place such term appears and insert-
3 ing “subsections (a), (b), and (c) of section 113”;
4 and

5 (4) in subsection (j), by striking “with total
6 consolidated assets equal to or greater than
7 \$50,000,000,000” and inserting “which has been
8 the subject of a final determination under section
9 113”.

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