

114TH CONGRESS
1ST SESSION

H. R. 1309

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

MARCH 4, 2015

Mr. LUTKEMEYER (for himself, Mr. STIVERS, Mr. WILLIAMS, Mr. MURPHY of Florida, Ms. SEWELL of Alabama, Mr. DAVID SCOTT of Georgia, and Ms. SINEMA) 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 2015”.

1 **SEC. 2. TABLE OF CONTENTS.**

2 The table of contents for the Dodd-Frank Wall Street
3 Reform and Consumer Protection Act (12 U.S.C. 5301
4 et seq.) is amended by striking the item relating to section
5 113 and inserting the following:

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

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

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

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

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

21 (2) by redesignating subsections (c), (d), (e),
22 (f), (g), (h), and (i) as subsections (d), (e), (f), (g),
23 (h), (i), and (j), respectively;

1 (3) by inserting after subsection (b) the fol-
2 lowing:

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

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

20 “(2) CONSIDERATIONS.—In making a deter-
21 mination under paragraph (1), the Council shall use
22 the indicator-based measurement approach estab-
23 lished by the Basel Committee on Banking Super-
24 vision to determine systemic importance, which con-
25 siders—

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

2 “(B) the interconnectedness of the bank
3 holding company;

4 “(C) the extent of readily available sub-
5 stitutes or financial institution infrastructure
6 for the services of the bank holding company;

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

9 “(E) the complexity of the bank holding
10 company.

11 “(3) GSIBS DESIGNATED BY OPERATION OF
12 LAW.—Notwithstanding any other provision of this
13 subsection, a bank holding company that is des-
14 ignated, as of the date of enactment of this sub-
15 section, as a Global Systemically Important Bank by
16 the Financial Stability Board shall be deemed to
17 have been the subject of a final determination under
18 paragraph (1).”;

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

20 (A) in paragraph (1)(A), by striking “sub-
21 section (a)(2) or (b)(2)” and inserting “sub-
22 section (a)(2), (b)(2), or (c)(2)”; and

23 (B) in paragraph (4), by striking “Sub-
24 sections (d) through (h)” and inserting “Sub-
25 sections (e) through (i)”;

1 (5) in subsections (e), (f), (g), (h), (i), and
2 (j)—

3 (A) by striking “subsections (a) and (b)”
4 each place such term appears and inserting
5 “subsections (a), (b), and (c)”; and

6 (B) by striking “nonbank financial com-
7 pany” each place such term appears and insert-
8 ing “bank holding company for which there has
9 been a determination under subsection (c) or
10 nonbank financial company”;

11 (6) in subsection (g), as so redesignated, by
12 striking “subsection (e)” and inserting “subsection
13 (f)”;

14 (7) in subsection (h), as so redesignated, by
15 striking “subsection (a), (b), or (c)” and inserting
16 “subsection (a), (b), (c), or (d)”;

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

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

23 (1) in subsection (a)(1), by striking “large,
24 interconnected bank holding companies” and insert-

1 ing “bank holding companies which have been the
2 subject of a final determination under section 113”;

3 (2) in subsection (a)(2)—

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

6 (B) by striking “the Council may” and all
7 that follows through “differentiate” and insert-
8 ing “the Council may differentiate”; and

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

10 (3) in subsection (b)(3), by striking “sub-
11 sections (a) and (b) of section 113” each place such
12 term appears and inserting “subsections (a), (b),
13 and (c) of section 113”.

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

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

23 (1) in subsection (a), by striking “with total
24 consolidated assets of \$50,000,000,000 or more”

1 and inserting “which has been the subject of a final
2 determination under section 113”; and

3 (2) in subsection (c), by striking “subsection
4 (a) or (b) of section 113” and inserting “subsection
5 (a), (b), or (c) of section 113”.

6 (f) OFFICE OF FINANCIAL RESEARCH.—Section 155
7 of the Dodd-Frank Wall Street Reform and Consumer
8 Protection Act (12 U.S.C. 5345) is amended in subsection
9 (d) by striking “with total consolidated assets of
10 50,000,000,000 or greater” and inserting “which have
11 been the subject of a final determination under section
12 113”.

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

14 (a) ACQUISITIONS.—Section 163 of the Dodd-Frank
15 Wall Street Reform and Consumer Protection Act (12
16 U.S.C. 5363) is amended by striking “with total consoli-
17 dated assets equal to or greater than \$50,000,000,000”
18 each place such term appears and inserting “which has
19 been the subject of a final determination under section
20 113”.

21 (b) MANAGEMENT INTERLOCKS.—Section 164 of the
22 Dodd-Frank Wall Street Reform and Consumer Protec-
23 tion Act (12 U.S.C. 5364) is amended by striking “with
24 total consolidated assets equal to or greater than

1 \$50,000,000,000” and inserting “which has been the sub-
2 ject of a final determination under section 113”.

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

7 (1) in subsection (a), by striking “with total
8 consolidated assets equal to or greater than
9 \$50,000,000,000” and inserting “which have been
10 the subject of a final determination under section
11 113”;

12 (2) in subsection (a)(2)—

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

14 (B) by striking subparagraph (B);

15 (3) by striking “subsections (a) and (b) of sec-
16 tion 113” each place such term appears and insert-
17 ing “subsections (a), (b), and (c) of section 113”;
18 and

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

24 (d) CONFORMING AMENDMENT.—The second sub-
25 section (s) (relating to “Assessments, Fees, and Other

1 Charges for Certain Companies”) of section 11 of the Fed-
2 eral Reserve Act (12 U.S.C. 248) is amended—

3 (1) by redesignating such subsection as sub-
4 section (t); and

5 (2) in paragraph (2)—

6 (A) in subparagraph (A), by striking “hav-
7 ing total consolidated assets of
8 \$50,000,000,000 or more;” and inserting
9 “which have been the subject of a final deter-
10 mination under section 113 of the Dodd-Frank
11 Wall Street Reform and Consumer Protection
12 Act; and”;

13 (B) by striking subparagraph (B); and

14 (C) by redesignating subparagraph (C) as
15 subparagraph (B).

16 **SEC. 5. EFFECTIVE DATE; RULE OF APPLICATION.**

17 (a) **EFFECTIVE DATE.**—The Financial Stability
18 Oversight Council may begin proceedings with respect to
19 a bank holding company under section 113(e)(1) of the
20 Dodd-Frank Wall Street Reform and Consumer Protec-
21 tion Act, as added by this Act, on the date of the enact-
22 ment of this Act, but may not make a final determination
23 under such section 113(e)(1) with respect to a bank hold-
24 ing company before the end of the 1-year period beginning
25 on the date of the enactment of this Act.

1 (b) IMMEDIATE APPLICATION TO LARGE BANK
2 HOLDING COMPANIES.—During the 1-year period de-
3 scribed under subsection (a), a bank holding company with
4 total consolidated assets equal to or greater than
5 \$50,000,000,000 shall be deemed to have been the subject
6 of a final determination under section 113(c)(1) of the
7 Dodd-Frank Wall Street Reform and Consumer Protec-
8 tion Act.

○