

# Union Calendar No. 680

114<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 2896

[Report No. 114–870]

To require the Federal financial institutions regulatory agencies to take risk profiles and business models of institutions into account when taking regulatory actions, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2015

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

DECEMBER 12, 2016

Additional sponsors: Mr. FARENTHOLD, Mr. BLUM, Mr. COFFMAN, Mrs. MIMI WALTERS of California, Ms. JENKINS of Kansas, Mr. EMMER of Minnesota, Mr. BRIDENSTINE, Mr. KELLY of Pennsylvania, Mr. CRENSHAW, Mr. CRAMER, Mr. MCKINLEY, Mr. POSEY, Mr. POLIQUIN, Mr. GOSAR, Mr. POMPEO, Mr. RUSSELL, Mr. COLE, Mr. HURT of Virginia, Mr. SMITH of Nebraska, Mr. YOUNG of Iowa, Mr. TIBERI, Mr. DUFFY, Mr. MULLIN, Mr. KLINE, Mr. DESJARLAIS, Mr. DUNCAN of Tennessee, Mr. PAULSEN, Mr. WALBERG, Mr. BUCHANAN, Mr. ROSS, Mr. MICA, Mr. BUCK, Mr. BROOKS of Alabama, Mrs. LUMMIS, Mrs. LOVE, Mr. FINCHER, Mr. PERLMUTTER, Mr. PITTENGER, Mr. LAMBORN, Mr. AMODEI, Mr. JOYCE, Mr. FITZPATRICK, Mr. STIVERS, Mr. WEBSTER of Florida, Mr. NEWHOUSE, Mrs. COMSTOCK, Mr. JOLLY, Mr. ASHFORD, Mr. SENSENBRENNER, Mr. FORTENBERRY, Mr. THORNBERRY, Mr. LUCAS, Mr. JOHNSON of Ohio, Mr. CONAWAY, Mr. DUNCAN of South Carolina, Mrs. ELLMERS of North Carolina, Mr. CHABOT, Mr. RENACCI, Mr. WILLIAMS, Mr. BOUSTANY, Mr. ABRAHAM, Mr. BOST, Mr. KING of New York, Mr. GUTHRIE, Mr. RODNEY DAVIS of Illinois, Mr. LATTA, Mr. ROTHFUS, Mr. MILLER of Florida, Mr. COLLINS of New York, Mr. TURNER, Mr. GRAVES of Louisiana, Mr. JENKINS of West Virginia, Mr. WEBER of Texas, Mr. HUELSKAMP, Mr. ROYCE, Mr. GUINTA, Mr. OLSON, Mr. SHUSTER, Mr. PETERSON, Mr. SMITH of Texas, Mr. MARINO, Mrs. WAGNER, Mr. PEARCE, Mr. SCHWEIKERT, Mr. MULVANEY, Mr. HILL, Mr. NEUGEBAUER, Mr. GARRETT, Mr.

STUTZMAN, Mr. RICE of South Carolina, Mr. WHITFIELD, Mr. MESSER, Mr. LANCE, Mr. KELLY of Mississippi, Mr. CARTER of Texas, Mr. FLORES, Mr. CALVERT, Mr. YOHO, Mr. SANFORD, Mr. ZINKE, Mr. MCHENRY, Mr. FORBES, Ms. STEFANIK, Mr. MURPHY of Pennsylvania, Mr. GROTHMAN, Mr. HUDSON, Mr. SESSIONS, Mr. SIMPSON, Mr. JODY B. HICE of Georgia, Mr. BABIN, Mr. WALZ, and Mr. ROKITA

DECEMBER 12, 2016

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

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## **A BILL**

To require the Federal financial institutions regulatory agencies to take risk profiles and business models of institutions into account when taking regulatory actions, 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 “Taking Account of In-  
5 stitutions with Low Operation Risk Act of 2015” or the  
6 “TAILOR Act of 2015”.

7 **SEC. 2. REGULATIONS APPROPRIATE TO BUSINESS MOD-**  
8 **ELS.**

9 (a) IN GENERAL.—For any regulatory action occur-  
10 ring subsequent to enactment of this section, and notwith-  
11 standing any other provision of law, the Federal financial  
12 institutions regulatory agencies shall—

13 (1) take into consideration the risk profile and  
14 business models of the various institutions or classes  
15 of institutions subject to the regulatory action;

16 (2) determine the necessity, appropriateness,  
17 and impact of applying such regulatory action to  
18 such institutions or classes of institutions; and

19 (3) tailor such regulatory action applicable to  
20 such institutions or class of institutions in a manner  
21 that limits the regulatory compliance impact, cost, li-  
22 ability risk, and other burdens as is appropriate for  
23 the risk profile and business model involved.

24 (b) OTHER CONSIDERATIONS.—In satisfying the re-  
25 quirements of subsection (a) and when implementing such

1 regulatory action, the Federal financial institutions regu-  
2 latory agencies shall also consider—

3 (1) the impact that such regulatory action, both  
4 by itself and in conjunction with the aggregate effect  
5 of other regulations, has on the ability of the institu-  
6 tion or class of institutions to flexibly serve evolving  
7 and diverse customer needs;

8 (2) the potential unintended impact of examina-  
9 tion manuals or other regulatory directives that  
10 work in conflict with the tailoring of such regulatory  
11 action described in subsection (a)(3); and

12 (3) the underlying policy objectives of the regu-  
13 latory action and statutory scheme involved.

14 (c) NOTICE OF PROPOSED AND FINAL RULE-  
15 MAKING.—The Federal financial institutions regulatory  
16 agencies shall disclose in every notice of proposed rule-  
17 making and in any final rulemaking for a regulatory ac-  
18 tion how the agency has applied subsections (a) and (b).

19 (d) REPORTS TO CONGRESS.—

20 (1) INDIVIDUAL AGENCY REPORTS.—

21 (A) IN GENERAL.—The Federal financial  
22 institutions regulatory agencies shall individ-  
23 ually report to the Committee on Financial  
24 Services of the House of Representatives and  
25 the Committee on Banking, Housing, and

1 Urban Affairs of the Senate, within twelve  
2 months of enactment of this section and annu-  
3 ally thereafter, on the specific actions taken to  
4 tailor the agency's regulatory actions pursuant  
5 to the requirements of this section.

6 (B) APPEARANCE BEFORE THE COMMIT-  
7 TEES.—The head of each Federal financial in-  
8 stitution regulatory agency shall appear before  
9 the Committee on Financial Services of the  
10 House of Representatives and the Committee  
11 on Banking, Housing, and Urban Affairs of the  
12 Senate after each report is made pursuant to  
13 subparagraph (A), to testify on the contents of  
14 such report.

15 (2) FIEC REPORTS.—

16 (A) IN GENERAL.—The Financial Institu-  
17 tions Examination Council shall report to the  
18 Committee on Financial Services of the House  
19 of Representatives and the Committee on Bank-  
20 ing, Housing, and Urban Affairs of the Senate,  
21 within three months after the reports required  
22 under paragraph (1)—

23 (i) on the extent to which regulatory  
24 actions tailored pursuant to this section re-  
25 sult in differential regulation of similarly-

1           situated institutions of diverse charter  
2           types with respect to comparable regula-  
3           tions; and

4                   (ii) the reasons for such differential  
5           treatment.

6           (B) APPEARANCE BEFORE THE COMMIT-  
7           TEES.—The Chairman of the Financial Institu-  
8           tions Examination Council shall appear before  
9           the Committee on Financial Services of the  
10          House of Representatives and the Committee  
11          on Banking, Housing, and Urban Affairs of the  
12          Senate after each report is made pursuant to  
13          subparagraph (A), to testify on the contents of  
14          such report.

15          (e) LIMITED LOOK-BACK APPLICATION.—The Fed-  
16          eral financial institutions regulatory agencies shall con-  
17          duct a review of all regulations adopted during the period  
18          beginning on the date that is five years before the date  
19          of the introduction of this Act in the House of Representa-  
20          tives and ending on the date of the enactment of this Act  
21          and apply the requirements of this section to such regula-  
22          tions. If the application of the requirements of this section  
23          to any such regulation requires such regulation to be re-  
24          vised, the agency shall revise such regulation within three  
25          years of the enactment of this section.

1 (f) DEFINITIONS.—For purposes of this section, the  
2 following definitions shall apply:

3 (1) FEDERAL FINANCIAL INSTITUTIONS REGU-  
4 LATORY AGENCIES.—The term “Federal financial in-  
5 stitutions regulatory agencies” means the Office of  
6 the Comptroller of the Currency, the Board of Gov-  
7 ernors of the Federal Reserve System, the Federal  
8 Deposit Insurance Corporation, the National Credit  
9 Union Administration, and the Bureau of Consumer  
10 Financial Protection.

11 (2) REGULATORY ACTION.—The term “regu-  
12 latory action” means any proposed, interim, or final  
13 rule or regulation, guidance, or published interpreta-  
14 tion.

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