

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

# H. R. 6392

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## AN ACT

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Systemic Risk Des-  
3 ignation Improvement Act of 2016”.

4 **SEC. 2. TABLE OF CONTENTS.**

5 The table of contents for the Dodd-Frank Wall Street  
6 Reform and Consumer Protection Act (12 U.S.C. 5301  
7 et seq.) is amended by striking the item relating to section  
8 113 and inserting the following:

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

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

10 (a) **PURPOSES AND DUTIES.**—Section 112 of the  
11 Dodd-Frank Wall Street Reform and Consumer Protec-  
12 tion Act (12 U.S.C. 5322) is amended in subsection  
13 (a)(2)(I) by inserting before the semicolon “, which have  
14 been the subject of a final determination under section  
15 113”.

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

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

1           (2) by redesignating subsections (c), (d), (e),  
2           (f), (g), (h), and (i) as subsections (d), (e), (f), (g),  
3           (h), (i), and (j), respectively;

4           (3) by inserting after subsection (b) the fol-  
5           lowing:

6           “(c) BANK HOLDING COMPANIES SUBJECT TO EN-  
7           HANCED SUPERVISION AND PRUDENTIAL STANDARDS  
8           UNDER SECTION 165.—

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

23          “(2) CONSIDERATIONS.—In making a deter-  
24          mination under paragraph (1), the Council shall use  
25          the indicator-based measurement approach estab-

1 lished by the Basel Committee on Banking Super-  
2 vision to determine systemic importance, which con-  
3 siders—

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

5 “(B) the interconnectedness of the bank  
6 holding company;

7 “(C) the extent of readily available sub-  
8 stitutes or financial institution infrastructure  
9 for the services of the bank holding company;

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

12 “(E) the complexity of the bank holding  
13 company.

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

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

23 (A) in paragraph (1)(A), by striking “sub-  
24 section (a)(2) or (b)(2)” and inserting “sub-  
25 section (a)(2), (b)(2), or (c)(2)”; and

1 (B) in paragraph (4), by striking “Sub-  
2 sections (d) through (h)” and inserting “Sub-  
3 sections (e) through (i)”;

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

6 (A) by striking “subsections (a) and (b)”  
7 each place such term appears and inserting  
8 “subsections (a), (b), and (c)”;

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

14 (6) in subsection (g), as so redesignated, by  
15 striking “subsection (e)” and inserting “subsection  
16 (f)”;

17 (7) in subsection (h), as so redesignated, by  
18 striking “subsection (a), (b), or (c)” and inserting  
19 “subsection (a), (b), (c), or (d)”;

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

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

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

5           (2) in subsection (a)(2)—

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

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

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

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

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

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

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

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

8           (f) OFFICE OF FINANCIAL RESEARCH.—Section 155  
9           of the Dodd-Frank Wall Street Reform and Consumer  
10          Protection Act (12 U.S.C. 5345) is amended in subsection  
11          (d) by striking “with total consolidated assets of  
12          50,000,000,000 or greater” and inserting “which have  
13          been the subject of a final determination under section  
14          113”.

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

16          (a) ACQUISITIONS.—Section 163 of the Dodd-Frank  
17          Wall Street Reform and Consumer Protection Act (12  
18          U.S.C. 5363) is amended by striking “with total consoli-  
19          dated assets equal to or greater than \$50,000,000,000”  
20          each place such term appears and inserting “which has  
21          been the subject of a final determination under section  
22          113”.

23          (b) MANAGEMENT INTERLOCKS.—Section 164 of the  
24          Dodd-Frank Wall Street Reform and Consumer Protec-  
25          tion Act (12 U.S.C. 5364) is amended by striking “with

1 total consolidated assets equal to or greater than  
2 \$50,000,000,000” and inserting “which has been the sub-  
3 ject of a final determination under section 113”.

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

8 (1) in subsection (a), by striking “with total  
9 consolidated assets equal to or greater than  
10 \$50,000,000,000” and inserting “which have been  
11 the subject of a final determination under section  
12 113”;

13 (2) in subsection (a)(2)—

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

15 (B) by striking subparagraph (B);

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

20 (4) in subsection (j), by striking “with total  
21 consolidated assets equal to or greater than  
22 \$50,000,000,000” and inserting “which has been  
23 the subject of a final determination under section  
24 113”.



1 (d) CONFORMING AMENDMENT.—The second sub-  
2 section (s) (relating to “Assessments, Fees, and Other  
3 Charges for Certain Companies”) of section 11 of the Fed-  
4 eral Reserve Act (12 U.S.C. 248) is amended—

5 (1) by redesignating such subsection as sub-  
6 section (t); and

7 (2) in paragraph (2)—

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

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

16 (C) by redesignating subparagraph (C) as  
17 subparagraph (B).

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

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

1 ing company before the end of the 1-year period beginning  
2 on the date of the enactment of this Act.

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

11 **SEC. 6. EXISTING ASSESSMENT TERMINATION SCHEDULE.**

12 (a) TEMPORARY EXTENSION OF EXISTING ASSESS-  
13 MENT.—

14 (1) IN GENERAL.—Each bank holding company  
15 with total consolidated assets equal to or greater  
16 than \$50,000,000,000 and which has not been the  
17 subject of a final determination under section 113 of  
18 the Dodd-Frank Wall Street Reform and Consumer  
19 Protection Act (12 U.S.C. 5323) shall be subject to  
20 assessments by the Secretary of the Treasury to the  
21 same extent as a bank holding company that has  
22 been subject to such a final determination.

23 (2) LIMITATION ON AMOUNT OF ASSESS-  
24 MENTS.—The aggregate amount collected pursuant  
25 to paragraph (1) from all bank holding companies

1 assessed under such paragraph shall be  
2 \$115,000,000.

3 (3) EXPEDITED ASSESSMENTS.—If necessary,  
4 the Secretary of the Treasury shall expedite assess-  
5 ments made pursuant to paragraph (1) to ensure  
6 that all \$115,000,000 of assessments permitted by  
7 paragraph (2) is collected before fiscal year 2018.

8 (4) PAYMENT PERIOD OPTIONS.—The Secretary  
9 of the Treasury shall offer the option of payments  
10 spread out before the end of fiscal year 2018, or  
11 shorter periods including the option of a one-time  
12 payment, at the discretion of each bank holding  
13 company paying assessments pursuant to paragraph  
14 (1).

15 (5) ASSESSMENTS TO BE MADE IN ADDITION TO  
16 ANY OTHER ASSESSMENTS.—The assessments col-  
17 lected pursuant to paragraph (1) shall be in addition  
18 to, and not as a replacement of, any assessments re-  
19 quired under any other law.

20 (b) USE OF ASSESSMENTS.—Of the total amount col-  
21 lected pursuant to subsection (a)—

22 (1) \$60,000,000 shall be transferred to the Fi-  
23 nancial Stability Oversight Council to pay for any  
24 administrative costs resulting from this Act and the  
25 amendments made by this Act, of which the Finan-

1        cial Stability Oversight Council shall distribute  
2        \$20,000,000 to the Board of Governors of the Fed-  
3        eral Reserve System, \$20,000,000 to the Federal  
4        Deposit Insurance Corporation, and \$20,000,000 to  
5        the general fund of the Treasury; and

6            (2) \$55,000,000 shall be transferred to the  
7        Federal Deposit Insurance Corporation to pay for  
8        any resolution costs resulting from this Act and the  
9        amendments made by this Act.

10        (c) TREATMENT UPON DETERMINATION.—A bank  
11        holding company assessed under this section shall no  
12        longer be subject to such assessments in the event it is  
13        subject to a final determination under section 113 of the  
14        Dodd-Frank Wall Street Reform and Consumer Protec-  
15        tion Act (12 U.S.C. 5323). Any prior payments made by  
16        such a banking holding company pursuant to an assess-  
17        ment under this section shall be nonrefundable.

18        (d) RULE OF CONSTRUCTION.—A bank holding com-  
19        pany deemed to have been the subject of a final determina-  
20        tion under section 113 of the Dodd-Frank Wall Street Re-  
21        form and Consumer Protection Act (12 U.S.C. 5323)  
22        under section 5(b) shall not be subject to assessments  
23        under subsection (a) solely by operation of section 5(b).

1 **SEC. 7. RULE OF CONSTRUCTION.**

2       Nothing in this Act or the amendments made by this  
3 Act may be construed as broadly applying international  
4 standards except as specifically provided under para-  
5 graphs (2) and (3) of section 113(c) of the Dodd-Frank  
6 Wall Street Reform and Consumer Protection Act, as  
7 added by section 3.

      Passed the House of Representatives December 1,  
2016.

Attest:

*Clerk.*

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

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# H. R. 6392

## AN ACT

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.