

115TH CONGRESS
1ST SESSION

H. R. 1264

To provide an exemption from rules and regulations of the Bureau of Consumer Financial protection for community financial institutions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 2017

Mr. WILLIAMS introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To provide an exemption from rules and regulations of the Bureau of Consumer Financial protection for community financial institutions, 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 “Community Financial
5 Institution Exemption Act”.

6 **SEC. 2. EXEMPTION FOR COMMUNITY FINANCIAL INSTITU-**
7 **TIONS.**

8 Section 1022(b) of the Consumer Financial Protec-
9 tion Act of 2010 (12 U.S.C. 5512(b)) is amended—

1 (1) in paragraph (3), by amending the heading
2 to read as follows: “GENERAL EXEMPTIONS”;

3 (2) by redesignating paragraph (4) as para-
4 graph (5); and

5 (3) by inserting after paragraph (3) the fol-
6 lowing:

7 “(4) SPECIFIC EXEMPTION FOR COMMUNITY FI-
8 NANCIAL INSTITUTIONS.—

9 “(A) IN GENERAL.—Community financial
10 institutions shall be exempt from all rules and
11 regulations issued by the Bureau.

12 “(B) EXCEPTION.—The Bureau may re-
13 voke an exemption provided under subpara-
14 graph (A) with respect to a specific rule or reg-
15 ulation and a specific class of community finan-
16 cial institutions if—

17 “(i) the Bureau makes a detailed,
18 written finding that such class of commu-
19 nity financial institutions has engaged in a
20 pattern or practice of activities that have
21 been detrimental to the interests of con-
22 sumers and are of a type that the specific
23 rule or regulation is intended to address;

1 “(ii) the Bureau consults with the
2 Federal banking agencies with respect to
3 such revocation; and

4 “(iii) each Federal banking agency
5 provides the Bureau with a written notice
6 stating that the Federal banking agency
7 agrees with such revocation.

8 “(C) EFFECTIVE DATE; EFFECT ON PRIOR
9 RULES.—

10 “(i) EFFECTIVE DATE.—This para-
11 graph shall take effect with respect to
12 rules and regulations issued or modified
13 after the date of enactment of this para-
14 graph.

15 “(ii) EFFECT ON PRIOR RULES.—This
16 paragraph shall not prohibit the Bureau
17 from modifying a rule or regulation issued
18 prior to the date of enactment of this para-
19 graph with respect to community financial
20 institutions if the effect of such modifica-
21 tion is to expand a current exemption or to
22 reduce the costs and the regulatory burden
23 associated with complying with such rule
24 or regulation.

1 “(D) DEFINITIONS.—For purposes of this
2 paragraph:

3 “(i) COMMUNITY FINANCIAL INSTITU-
4 TION.—The term ‘community financial in-
5 stitution’ means an insured depository in-
6 stitution or credit union with less than
7 \$50,000,000,000 in consolidated assets.

8 “(ii) FEDERAL BANKING AGENCY.—
9 The term ‘Federal banking agency’ means
10 the Board of Governors, the Office of the
11 Comptroller of the Currency, the Corpora-
12 tion, and the National Credit Union Ad-
13 ministration.”.

○