

Union Calendar No. 395

115TH CONGRESS
2^D SESSION

H. R. 1426

[Report No. 115–530]

To amend the Home Owners' Loan Act to allow Federal savings associations to elect to operate as national banks, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2017

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

JANUARY 29, 2018

Additional sponsors: Mr. STIVERS, Mr. CRAMER, Mr. COURTNEY, Mr. TIPTON,
Mr. MESSER, and Mr. GOTTHEIMER

JANUARY 29, 2018

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

A BILL

To amend the Home Owners' Loan Act to allow Federal savings associations to elect to operate as national banks, 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 “Federal Savings Asso-
 5 ciation Charter Flexibility Act of 2017”.

6 **SEC. 2. OPTION FOR FEDERAL SAVINGS ASSOCIATIONS TO**
 7 **OPERATE AS A COVERED SAVINGS ASSOCIA-**
 8 **TION.**

9 The Home Owners’ Loan Act is amended by inserting
 10 after section 5 (12 U.S.C. 1464) the following:

11 **“SEC. 5A. ELECTION TO OPERATE AS A COVERED SAVINGS**
 12 **ASSOCIATION.**

13 “(a) DEFINITION.—In this section, the term ‘covered
 14 savings association’ means a Federal savings association
 15 that makes an election approved under subsection (b).

16 “(b) ELECTION.—

17 “(1) IN GENERAL.—Upon issuance of the rules
 18 described in subsection (f), a Federal savings asso-
 19 ciation may elect to operate as a covered savings as-
 20 sociation by submitting a notice to the Comptroller
 21 of such election.

22 “(2) APPROVAL.—A Federal savings association
 23 shall be deemed to be approved to operate as a cov-
 24 ered savings association on the date that is 60 days
 25 after the date on which the Comptroller receives the

1 notice under paragraph (1), unless the Comptroller
2 notifies the Federal savings association otherwise.

3 “(c) RIGHTS AND DUTIES.—Notwithstanding any
4 other provision of law and except as otherwise provided
5 in this section, a covered savings association shall—

6 “(1) have the same rights and privileges as a
7 national bank that has its main office situated in the
8 same location as the home office of the covered sav-
9 ings association; and

10 “(2) be subject to the same duties, restrictions,
11 penalties, liabilities, conditions, and limitations that
12 would apply to such a national bank.

13 “(d) TREATMENT OF COVERED SAVINGS ASSOCIA-
14 TIONS.—A covered savings association shall be treated as
15 a Federal savings association for the purposes—

16 “(1) of governance of the covered savings asso-
17 ciation, including incorporation, bylaws, boards of
18 directors, shareholders, and distribution of divi-
19 dends;

20 “(2) of consolidation, merger, dissolution, con-
21 version (including conversion to a stock bank or to
22 another charter), conservatorship, and receivership;
23 and

24 “(3) determined by regulation of the Comp-
25 troller.

1 “(e) EXISTING BRANCHES.—A covered savings asso-
2 ciation may continue to operate any branch or agency the
3 covered savings association operated on the date on which
4 an election under subsection (b) is approved.

5 “(f) RULEMAKING.—The Comptroller shall issue
6 rules to carry out this section—

7 “(1) that establish streamlined standards and
8 procedures that clearly identify required documenta-
9 tion or timelines for an election under subsection
10 (b);

11 “(2) that require a Federal savings association
12 that makes an election under subsection (b) to iden-
13 tify specific assets and subsidiaries—

14 “(A) that do not conform to the require-
15 ments for assets and subsidiaries of a national
16 bank; and

17 “(B) that are held by the Federal savings
18 association on the date on which the Federal
19 savings association submits a notice of such
20 election;

21 “(3) that establish—

22 “(A) a transition process for bringing such
23 assets and subsidiaries into conformance with
24 the requirements for a national bank; and

1 “(B) procedures for allowing the Federal
2 savings association to provide a justification for
3 grandfathering such assets and subsidiaries
4 after electing to operate as a covered savings
5 association;

6 “(4) that establish standards and procedures to
7 allow a covered savings association to terminate an
8 election under subsection (b) after an appropriate
9 period of time or to make a subsequent election;

10 “(5) that clarify requirements for the treatment
11 of covered savings associations, including the provi-
12 sions of law that apply to covered savings associa-
13 tions; and

14 “(6) as the Comptroller deems necessary and in
15 the interests of safety and soundness.”.

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