

115TH CONGRESS
1ST SESSION

H. R. 3838

To require the appropriate Federal banking agencies to treat certain non-significant investments in the capital of unconsolidated financial institutions as qualifying capital instruments, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 2017

Mr. DUFFY (for himself, Mr. KELLY of Mississippi, Mr. THOMPSON of Mississippi, Mr. HARPER, and Mr. LUCAS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the appropriate Federal banking agencies to treat certain non-significant investments in the capital of unconsolidated financial institutions as qualifying capital instruments, 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 “Trust Preferred Secu-
5 rities Act of 2017”.

1 **SEC. 2. TREATMENT OF CERTAIN NON-SIGNIFICANT IN-**
2 **VESTMENTS IN THE CAPITAL OF UNCONSOLI-**
3 **DATED FINANCIAL INSTITUTIONS.**

4 (a) IN GENERAL.—Section 18 of the Federal Deposit
5 Insurance Act (12 U.S.C. 1828) is amended—

6 (1) by moving subsection (z) so that it appears
7 after subsection (y); and

8 (2) by adding at the end the following:

9 “(aa) TREATMENT OF NON-SIGNIFICANT INVEST-
10 MENTS IN THE CAPITAL OF UNCONSOLIDATED FINAN-
11 CIAL INSTITUTIONS.—For purposes of the final rules ti-
12 tled ‘Regulatory Capital Rules: Regulatory Capital, Imple-
13 mentation of Basel III, Capital Adequacy, Transition Pro-
14 visions, Prompt Corrective Action, Standardized Approach
15 for Risk-weighted Assets, Market Discipline and Disclo-
16 sure Requirements, Advanced Approaches Risk-Based
17 Capital Rule, and Market Risk Capital Rule’ (78 Fed.
18 Reg. 62018; published Oct. 11, 2013, and 79 Fed. Reg.
19 20754; published April 14, 2014) and any other regulation
20 which incorporates a definition of the term ‘non-signifi-
21 cant investments in the capital of unconsolidated financial
22 institutions’, the appropriate Federal banking agencies
23 shall provide that investments in trust preferred securities
24 (pooled and individual instruments) by a depository insti-
25 tution or a depository institution holding company shall
26 not be subject to deduction from the regulatory capital of

1 such depository institution or depository institution hold-
2 ing company or any depository institution holding com-
3 pany of such an institution, provided such investments
4 were held prior to July 21, 2010.”.

5 (b) AMENDMENT TO BASEL III CAPITAL REGULA-
6 TIONS.—Not later than the end of the 3-month period be-
7 ginning on the date of the enactment of this Act, the Fed-
8 eral Deposit Insurance Corporation, the Board of Gov-
9 ernors of the Federal Reserve System, and the Comp-
10 troller of the Currency shall amend the final rules titled
11 “Regulatory Capital Rules: Regulatory Capital, Implemen-
12 tation of Basel III, Capital Adequacy, Transition Provi-
13 sions, Prompt Corrective Action, Standardized Approach
14 for Risk-weighted Assets, Market Discipline and Disclo-
15 sure Requirements, Advanced Approaches Risk-Based
16 Capital Rule, and Market Risk Capital Rule” (78 Fed.
17 Reg. 62018; published Oct. 11, 2013, and 79 Fed. Reg.
18 20754; published April 14, 2014) to implement the
19 amendments made by this Act.

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