

115TH CONGRESS
2D SESSION

H. R. 4296

IN THE SENATE OF THE UNITED STATES

FEBRUARY 28, 2018

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To place requirements on operational risk capital requirements for banking organizations established by an appropriate Federal banking agency.

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. OPERATIONAL RISK CAPITAL REQUIREMENTS**
2 **FOR BANKING ORGANIZATIONS.**

3 (a) IN GENERAL.—An appropriate Federal banking
4 agency may not establish an operational risk capital re-
5 quirement for banking organizations, unless such require-
6 ment—

7 (1) is based primarily on the risks posed by a
8 banking organization’s current activities and busi-
9 nesses;

10 (2) is appropriately sensitive to the risks posed
11 by such current activities and businesses;

12 (3) is determined under a forward-looking as-
13 sessment of potential losses that may arise out of a
14 banking organization’s current activities, businesses,
15 and exposures, which is not solely based on a bank-
16 ing organization’s historical losses; and

17 (4) permits adjustments based on qualifying
18 operational risk mitigants.

19 (b) DEFINITIONS.—For purposes of this section:

20 (1) APPROPRIATE FEDERAL BANKING AGEN-
21 CY.—The term “appropriate Federal banking agen-
22 cy”—

23 (A) has the meaning given such term
24 under section 3 of the Federal Deposit Insur-
25 ance Act; and

1 (B) means the National Credit Union Ad-
2 ministration, in the case of an insured credit
3 union.

4 (2) BANKING ORGANIZATION.—The term
5 “banking organization” means—

6 (A) an insured depository institution (as
7 defined under section 3 of the Federal Deposit
8 Insurance Act);

9 (B) an insured credit union (as defined
10 under section 101 of the Federal Credit Union
11 Act);

12 (C) a depository institution holding com-
13 pany (as defined under section 3 of the Federal
14 Deposit Insurance Act);

15 (D) a company that is treated as a bank
16 holding company for purposes of section 8 of
17 the International Banking Act; and

18 (E) a U.S. intermediate holding company
19 established by a foreign banking organization
20 pursuant to section 252.153 of title 12, Code of
21 Federal Regulations.

22 **SEC. 2. REDUCTION OF SURPLUS FUNDS OF FEDERAL RE-**
23 **SERVE BANKS.**

24 (a) IN GENERAL.—Section 7(a)(3)(A) of the Federal
25 Reserve Act (12 U.S.C. 289(a)(3)(A)) is amended by

1 striking “\$7,500,000,000” and inserting
2 “\$7,468,571,428”.

3 (b) EFFECTIVE DATE.—Subsection (a) shall take ef-
4 fect on May 1, 2018.

Passed the House of Representatives February 27,
2018.

Attest:

KAREN L. HAAS,
Clerk.