

Union Calendar No. 434

115TH CONGRESS
2^D SESSION

H. R. 4296

[Report No. 115-574]

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

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 2017

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

FEBRUARY 23, 2018

Additional sponsor: Mr. SESSIONS

FEBRUARY 23, 2018

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on November 8, 2017]

A BILL

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,*

3 **SECTION 1. OPERATIONAL RISK CAPITAL REQUIREMENTS**
4 **FOR BANKING ORGANIZATIONS.**

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

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

12 *(2) is appropriately sensitive to the risks posed*
13 *by such current activities and businesses;*

14 *(3) is determined under a forward-looking assess-*
15 *ment of potential losses that may arise out of a bank-*
16 *ing organization’s current activities, businesses, and*
17 *exposures, which is not solely based on a banking or-*
18 *ganization’s historical losses; and*

19 *(4) permits adjustments based on qualifying*
20 *operational risk mitigants.*

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

22 *(1) APPROPRIATE FEDERAL BANKING AGENCY.—*
23 *The term “appropriate Federal banking agency”—*

1 (A) has the meaning given such term under
2 section 3 of the Federal Deposit Insurance Act;
3 and

4 (B) means the National Credit Union Ad-
5 ministration, in the case of an insured credit
6 union.

7 (2) *BANKING ORGANIZATION*.—The term “bank-
8 ing organization” means—

9 (A) an insured depository institution (as
10 defined under section 3 of the Federal Deposit
11 Insurance Act);

12 (B) an insured credit union (as defined
13 under section 101 of the Federal Credit Union
14 Act);

15 (C) a depository institution holding com-
16 pany (as defined under section 3 of the Federal
17 Deposit Insurance Act);

18 (D) a company that is treated as a bank
19 holding company for purposes of section 8 of the
20 International Banking Act; and

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

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