

115TH CONGRESS
1ST SESSION

S. 1962

To provide relief to community banks, to promote access to capital for community banks, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 16, 2017

Mr. ROUNDS (for himself and Mr. BLUNT) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide relief to community banks, to promote access to capital for community 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 “Community Bank Ac-
5 cess to Capital Act of 2017”.

6 **SEC. 2. BASEL III EXEMPTION FOR COMMUNITY BANKS.**

7 (a) DEFINITIONS.—In this section—

8 (1) the term “community bank” means—

9 (A) an insured depository institution; and

1 (B) a depository institution holding com-
 2 pany with consolidated assets of not greater
 3 than \$50,000,000,000;

4 (2) the term “insured depository institution”
 5 has the meaning given the term in section 3(c) of
 6 the Federal Deposit Insurance Act (12 U.S.C.
 7 1813(c)); and

8 (3) the term “depository institution holding
 9 company” means a bank holding company or savings
 10 and loan holding company (as those terms are de-
 11 fined under section 3(w) of the Federal Deposit In-
 12 surance Act (12 U.S.C. 1813(w))).

13 (b) PROMULGATION OF REGULATIONS.—Not later
 14 than 90 days after the date of enactment of this Act, the
 15 Comptroller of the Currency, the Board of Governors of
 16 the Federal Reserve System, and the Federal Deposit In-
 17 surance Corporation shall each promulgate a regulation
 18 exempting community banks from any regulation issued
 19 to implement “Basel III: A global regulatory framework
 20 for more resilient banks and banking systems”, as issued
 21 by the Basel Committee on Banking Supervision on De-
 22 cember 16, 2010, and revised on June 1, 2011.

23 (c) CAPITAL REQUIREMENTS ADJUSTMENT.—The
 24 Comptroller of the Currency, the Board of Governors of
 25 the Federal Reserve System, and the Federal Deposit In-

1 surance Corporation shall make the revisions to capital re-
 2 quirements as the Comptroller, the Board, and the Cor-
 3 poration, respectively, determine are necessary or appro-
 4 priate in light of the regulations required under subsection
 5 (b).

6 **SEC. 3. INTERNAL CONTROL ATTESTATION REQUIREMENT**
 7 **EXEMPTIONS.**

8 Section 404(c) of the Sarbanes-Oxley Act of 2002 (15
 9 U.S.C. 7262(c)) is amended—

10 (1) by striking “that is neither” and inserting
 11 the following: “that—

12 “(1) is neither”;

13 (2) by striking the period at the end and insert-
 14 ing “; or”; and

15 (3) by adding at the end the following:

16 “(2) is an insured depository institution or a
 17 depository institution holding company (as those
 18 terms are defined in section 3 of the Federal De-
 19 posit Insurance Act (12 U.S.C. 1813)), with consoli-
 20 dated assets of not greater than \$1,000,000,000.”.

21 **SEC. 4. REGULATION D CHANGES.**

22 Not later than 90 days after the date of enactment
 23 of this Act, the Securities and Exchange Commission
 24 shall—

1 (1) amend section 230.501(a) of title 17, Code
 2 of Federal Regulations, so that, for purposes of cal-
 3 culating net worth under paragraph (a)(5) of that
 4 section, the primary residence of a person shall be
 5 included as an asset; and

6 (2) revise section 230.506(b)(2)(i) of title 17,
 7 Code of Federal Regulations, to change the limita-
 8 tion on the number of purchasers contained in the
 9 section from 35 to 70.

10 **SEC. 5. CHANGES REQUIRED TO SMALL BANK HOLDING**
 11 **COMPANY POLICY STATEMENT ON ASSESS-**
 12 **MENT OF FINANCIAL AND MANAGERIAL FAC-**
 13 **TORS.**

14 (a) DEFINITIONS.—In this section—

15 (1) the term “bank holding company” has the
 16 meaning given the term in section 2 of the Bank
 17 Holding Company Act of 1956 (12 U.S.C. 1841);

18 (2) the term “Board” means the Board of Gov-
 19 ernors of the Federal Reserve System; and

20 (3) the term “savings and loan holding com-
 21 pany” has the meaning given the term in section
 22 10(a) of the Home Owners’ Loan Act (12 U.S.C.
 23 1467a(a)).

24 (b) REVISION.—Not later than 180 days after the
 25 date of enactment of this Act, the Board shall revise ap-

1 pendix C of part 225 of title 12, Code of Federal Regula-
 2 tions (commonly known as the “Small Bank Holding Com-
 3 pany and Savings and Loan Holding Company Policy
 4 Statement”), to raise the consolidated asset threshold
 5 under that appendix from \$1,000,000,000 (as adjusted by
 6 Public Law 113–250 (12 U.S.C. 5371 note)) to
 7 \$5,000,000,000 for a bank holding company or savings
 8 and loan holding company that—

9 (1) is not engaged in significant nonbanking ac-
 10 tivities either directly or through a nonbank sub-
 11 sidiary;

12 (2) does not conduct significant off-balance
 13 sheet activities (including securitization and asset
 14 management or administration) either directly or
 15 through a nonbank subsidiary; and

16 (3) does not have a material amount of debt or
 17 equity securities outstanding (other than trust pre-
 18 ferred securities) that are registered with the Securi-
 19 ties and Exchange Commission.

20 (c) EXCLUSIONS.—The Board may exclude any bank
 21 holding company or savings and loan holding company, re-
 22 gardless of asset size, from the revision under subsection
 23 (b) if the Board determines that such action is warranted
 24 for supervisory purposes.

1 (d) CONFORMING AMENDMENT.—Section 171(b)(5)
2 of the Financial Stability Act of 2010 (12 U.S.C.
3 5371(b)(5)) is amended by striking subparagraph (C) and
4 inserting the following:

5 “(C) any bank holding company or savings
6 and loan holding company that is subject to the
7 application of appendix C of part 225 of title
8 12, Code of Federal Regulations (commonly
9 known as the ‘Small Bank Holding Company
10 and Savings and Loan Holding Company Policy
11 Statement’).”.

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