

116TH CONGRESS
2D SESSION

H. R. 4841

IN THE SENATE OF THE UNITED STATES

JANUARY 14, 2020

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

AN ACT

To require the prudential banking regulators to provide annual testimony to Congress on their supervision and regulation activities, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Prudential Regulator
3 Oversight Act”.

4 **SEC. 2. ANNUAL TESTIMONY.**

5 (a) IN GENERAL.—The Dodd-Frank Wall Street Re-
6 form and Consumer Protection Act (12 U.S.C. 5301 et
7 seq.) is amended by adding at the end of title VI the fol-
8 lowing:

9 **“SEC. 629. ANNUAL TESTIMONY OF PRUDENTIAL REGU-**
10 **LATORS.**

11 “(a) SEMI-ANNUAL REPORT.—

12 “(1) IN GENERAL.—The prudential regulators
13 shall each issue a semi-annual report to the Com-
14 mittee on Banking, Housing, and Urban Affairs of
15 the Senate and the Committee on Financial Services
16 of the House of Representatives regarding the ef-
17 forts, activities, objectives, and plans of the regu-
18 lator with respect to the conduct of supervision and
19 regulation of depository institution holding compa-
20 nies, depository institutions, and credit unions.

21 “(2) SPECIFIC CONTENTS.—Each report re-
22 quired under paragraph (1) shall include a descrip-
23 tion of—

24 “(A) the safety and soundness of deposi-
25 tory institution holding companies, depository
26 institutions, and credit unions, including cap-

1 ital, liquidity, leverage, stress testing, and living
2 wills, as applicable;

3 “(B) the examination and supervision of
4 depository institution holding companies, depository
5 institutions, and credit unions, particularly
6 G-SIBs, including—

7 “(i) a detailed description of public
8 enforcement actions taken during the re-
9 porting period;

10 “(ii) aggregate data regarding super-
11 visory concerns examiners have issued in
12 writing to the boards of regulated institu-
13 tions during the reporting period;

14 “(iii) supervisory observations by the
15 regulator on particular areas and topics of
16 concern identified through the examination
17 and supervisory process; and

18 “(iv) a description of the regulator’s
19 exercise of all available tools beyond impos-
20 ing public fines to ensure compliance with
21 all applicable laws and regulations, as well
22 as actions to ensure accountability for cul-
23 pable executives;

24 “(C) emerging risks that may affect depository
25 institutions and potential threats to the fi-

1 nancial stability of the United States, and any
2 actions the regulator took in coordination with
3 the Office of Financial Research, to identify
4 and mitigate those threats;

5 “(D) any recent actions taken by the regu-
6 lator as a voting member of the Financial Sta-
7 bility Oversight Council and any updates re-
8 lated to authorities the regulator has under title
9 I or title VIII of this Act with respect to en-
10 hanced prudential standards and supervision of
11 large bank holding companies and firms des-
12 ignated by the Financial Stability Oversight
13 Council;

14 “(E) the implementation of the regulator’s
15 diversity and inclusion efforts, including its im-
16 plementation of section 342 of this Act and the
17 regulator’s compliance with section 308 of the
18 Financial Institutions Reform, Recovery, and
19 Enforcement Act of 1989 with respect to mi-
20 nority depository institutions;

21 “(F) the implementation of the Community
22 Reinvestment Act of 1977, including informa-
23 tion on examinations, guidance, and regula-
24 tions;

1 “(G) any mandatory provision of law that
2 has not been implemented yet by the regulator,
3 including the date on which the mandatory pro-
4 vision will be implemented;

5 “(H) an overview of the mergers and ac-
6 quisitions process, including data and descrip-
7 tions of any mergers and acquisitions approved
8 during the reporting period;

9 “(I) examinations for Bank Secrecy Act
10 and anti-money laundering compliance, as well
11 as coordination with the Financial Crimes En-
12 forcement Network and appropriate commu-
13 nication with depository institutions and credit
14 unions;

15 “(J) the utilization of financial technology
16 as it relates to depository institution holding
17 companies, depository institutions, and credit
18 unions regulated by the regulator, including the
19 use of various technologies by depository insti-
20 tutions and credit unions as well as partner-
21 ships with third-party companies;

22 “(K) cybersecurity of depository institution
23 holding companies, depository institutions, and
24 credit unions, including steps taken to enhance

1 cyber readiness and strengthen the protection
2 of consumer data; and

3 “(L) compliance with chapter 5 of title 5,
4 United States Code (commonly referred to as
5 the ‘Administrative Procedure Act’) and chap-
6 ter 8 of title 5, United States Code (commonly
7 referred to as the ‘Congressional Review Act’),
8 as well as all guidance documents and
9 rulemakings issued by the prudential regulator
10 in the previous 6-month period.

11 “(3) CONFIDENTIALITY REQUIREMENT.—Each
12 report required under paragraph (1) shall include
13 only information that does not constitute confiden-
14 tial supervisory information about a specific institu-
15 tion, but may include aggregate information on an
16 industry-wide basis or on a segment of an industry.

17 “(b) TESTIMONY.—

18 “(1) IN GENERAL.—The prudential regulators
19 shall each appear before the Committee on Banking,
20 Housing, and Urban Affairs of the Senate and the
21 Committee on Financial Services of the House of
22 Representatives at an annual hearing to testify with
23 respect to the reports required under subsection (a).

24 “(2) VICE CHAIRMAN FOR SUPERVISION.—The
25 Vice Chairman for Supervision of the Board of Gov-

ernors shall appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives at a semiannual hearing to testify with respect to the reports required under subsection (a). Any such appearance shall satisfy the requirements of section 10(12) of the Federal Reserve Act.

“(c) DEFINITIONS.—In this section:

“(1) BANK SECRECY ACT.—The term ‘Bank Secrecy Act’ means—

“(A) section 21 of the Federal Deposit Insurance Act;

“(B) chapter 2 of title I of Public Law 91–508; and

“(C) subchapter II of chapter 53 of title 31, United States Code;

“(2) G-SIB.—The term ‘G-SIB’ means a global systemically important bank holding company, as such term is defined under section 217.402 of title 12, Code of Federal Regulations.

“(3) PRUDENTIAL REGULATORS.—The term ‘prudential regulators’ means the Vice Chairman for Supervision of the Board of Governors, the Comptroller of the Currency, the Chairperson of the Cor-

1 poration, and the Chairman of the National Credit
2 Union Administration Board.”.

3 (b) CLERICAL AMENDMENT.—The table of contents
4 under section 1(b) of the Dodd-Frank Wall Street Reform
5 and Consumer Protection Act is amended by inserting
6 after the item relating to section 628 the following:

“Sec. 629. Annual testimony of prudential regulators.”.

7 **SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.**

8 The budgetary effects of this Act, for the purpose of
9 complying with the Statutory Pay-As-You-Go Act of 2010,
10 shall be determined by reference to the latest statement
11 titled “Budgetary Effects of PAYGO Legislation” for this
12 Act, submitted for printing in the Congressional Record
13 by the Chairman of the House Budget Committee, pro-
14 vided that such statement has been submitted prior to the
15 vote on passage.

Passed the House of Representatives January 13,
2020.

Attest:

CHERYL L. JOHNSON,

Clerk.