

Union Calendar No. 651

118TH CONGRESS
2D SESSION

H. R. 8337

[Report No. 118–788]

To amend the Federal banking laws to improve the safety and soundness
of the United States banking system, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 10, 2024

Mr. BARR introduced the following bill; which was referred to the Committee
on Financial Services

DECEMBER 3, 2024

Additional sponsor: Mr. FITZGERALD

DECEMBER 3, 2024

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 *italie*]

[For text of introduced bill, see copy of bill as introduced on May 10, 2024]

A BILL

To amend the Federal banking laws to improve the safety and soundness of the United States banking system, 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; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Bank Resilience and Regulatory Improvement Act”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

**TITLE I—FINANCIAL INSTITUTION REGULATORY TAILORING
ENHANCEMENT**

Sec. 101. Increased asset thresholds.

TITLE II—BANK FAILURE PREVENTION

Sec. 201. Complete record on an application.

TITLE III—STRESS TESTING ACCOUNTABILITY AND TRANSPARENCY

Sec. 301. Rulemaking related to stress capital buffer requirements.

Sec. 302. Rulemaking relating to stress testing.

Sec. 303. GAO report.

TITLE IV—BANK SUPERVISION APPEALS IMPROVEMENT

*Sec. 401. Timeliness of examinations and required permission, regulatory, and
reporting guidance.*

*Sec. 402. Update of independent intra-agency appellate process for reviewing ma-
terial supervisory determinations.*

Sec. 403. Review of resolution actions resulting in a material loss.

TITLE V—REVIEW OF DISCOUNT WINDOW OPERATIONS

Sec. 501. Review of discount window operations.

TITLE VI—SMALL BANK HOLDING COMPANY RELIEF

*Sec. 601. Changes required to the Small Bank Holding Company and Savings
and Loan Holding Company Policy Statement.*

1 ***TITLE I—FINANCIAL INSTITU-***
 2 ***TION REGULATORY TAI-***
 3 ***LORING ENHANCEMENT***

4 ***SEC. 101. INCREASED ASSET THRESHOLDS.***

5 (a) *BUREAU SUPERVISION.*—Section 1025(a) of the
 6 *Consumer Financial Protection Act of 2010* (12 U.S.C.
 7 5515) is amended by striking “\$10,000,000,000” each place
 8 it occurs and inserting “\$50,000,000,000”.

9 (b) *DURBIN AMENDMENT REQUIREMENTS.*—Section
 10 921(a)(6) of the *Electronic Fund Transfer Act* (15 U.S.C.
 11 1693o–2(a)(6)) is amended by striking “\$10,000,000,000”
 12 and inserting “\$50,000,000,000”.

13 (c) *VOLKER RULE REQUIREMENTS.*—Section
 14 13(h)(1)(B)(i) of the *Bank Holding Company Act of 1956*
 15 (12 U.S.C. 1851(h)(1)(B)(i)) is amended by striking
 16 “\$10,000,000,000” and inserting “\$50,000,000,000”.

17 (d) *QUALIFIED MORTGAGE REQUIREMENTS.*—Section
 18 129C(b)(F)(i) of the *Truth in Lending Act* (15 U.S.C.
 19 1639c(b)(F)(i)) is amended by striking “\$10,000,000,000”
 20 and inserting “\$50,000,000,000”.

21 (e) *LEVERAGE AND RISK-BASED CAPITAL REQUIRE-*
 22 *MENTS.*—Section 201(a)(3)(A) of the *Economic Growth,*
 23 *Regulatory Relief, and Consumer Protection Act* (12 U.S.C.
 24 5371 note (a)(3)(A)) is amended by striking
 25 “\$10,000,000,000” and inserting “\$50,000,000,000”.

TITLE II—BANK FAILURE PREVENTION

SEC. 201. COMPLETE RECORD ON AN APPLICATION.

(a) *BANK HOLDING COMPANIES.*—Section 3(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(b)(1)) is amended—

(1) by striking “Upon receiving” and inserting the following:

“(A) *IN GENERAL.*—Upon receiving”;

(2) by striking “required” and inserting “acquired”;

(3) by striking “In the event of the failure of the Board to act on any application for approval under this section within the ninety-one-day period which begins on the date of submission to the Board of the complete record on that application, the application shall be deemed to have been granted.”; and

(4) by adding at the end the following:

“(B) *COMPLETE RECORD ON AN APPLICATION.*—

“(i) *NOTICE TO APPLICANT.*—Not later than 30 days after the date on which the Board receives an application for approval under this section, the Board shall transmit to the applicant a letter that either—

1 “(I) confirms the record on the appli-
2 cation is complete; or

3 “(II) details all additional information
4 that is required for the record on that appli-
5 cation to be complete.

6 “(ii) *EXTENSION OF NOTICE.*—Notwith-
7 standing clause (i), the Board may, if an appli-
8 cation is complex, extend the 30-day period de-
9 scribed under clause (i) for an additional 30
10 days.

11 “(iii) *RECEIPT OF RESPONSE; DEEMING OF*
12 *COMPLETE RECORD.*—Upon receipt of a response
13 from an applicant to a notice requesting addi-
14 tional information described under clause (i)(II),
15 the record on the application shall be deemed
16 complete unless the Board—

17 “(I) determines that the applicant’s re-
18 sponse was materially deficient; and

19 “(II) not later than 30 days after the
20 date on which the Board received the re-
21 sponse, provides the applicant a detailed
22 notice describing the deficiencies.

23 “(iv) *TREATMENT OF THIRD-PARTY INFOR-*
24 *MATION.*—In determining whether the record on
25 an application is complete, the Board may take

1 *into account only information provided by the*
2 *applicant, and may not base the determination*
3 *of completeness on any information (including*
4 *reports, views, or recommendations) provided by*
5 *third parties.*

6 “(C) *DEADLINE FOR DETERMINATION.*—

7 “(i) *IN GENERAL.*—Notwithstanding sub-
8 *paragraphs (A) and (B), the Board shall grant*
9 *or deny an application submitted under this sec-*
10 *tion not later than 90 days after the date on*
11 *which the application was initially submitted to*
12 *the Board, regardless of whether the record on*
13 *such initial application was complete.*

14 “(ii) *FAILURE TO MAKE A DETERMINA-*
15 *TION.*—If the Board does not grant or deny an
16 *application within the time period described*
17 *under clause (i), such application shall be*
18 *deemed to have been granted.*

19 “(iii) *TOLLING OF PERIOD.*—The Board
20 *may at any time extend the deadline described*
21 *under clause (i) at the request of the applicant,*
22 *but may not extend the deadline more than 30*
23 *days past the deadline described under clause*
24 *(i).”.*

1 (b) *SAVINGS AND LOAN HOLDING COMPANIES.*—Sec-
 2 tion 10(e) of the *Home Owners’ Loan Act* (12 U.S.C.
 3 1467a(e)) is amended—

4 (1) in paragraph (2), by striking “, and shall
 5 render a decision within 90 days after submission to
 6 the Board of the complete record on the application”;

7 (2) by redesignating paragraph (7) as para-
 8 graph (9); and

9 (3) by inserting after paragraph (6) the fol-
 10 lowing:

11 “(7) *COMPLETE RECORD ON AN APPLICATION.*—

12 “(A) *NOTICE TO APPLICANT.*—Not later
 13 than 30 days after the date on which the Board
 14 receives an application for approval under this
 15 subsection, the Board shall transmit to the appli-
 16 cant a letter that either—

17 “(i) confirms the record on the appli-
 18 cation is complete; or

19 “(ii) details all additional information
 20 that is required for the record on that appli-
 21 cation to be complete.

22 “(B) *EXTENSION OF NOTICE.*—Notwith-
 23 standing subparagraph (A), the Board may, if
 24 an application is complex, extend the 30-day pe-

riod described under subparagraph (A) for an additional 30 days.

“(C) *RECEIPT OF RESPONSE; DEEMING OF COMPLETE RECORD.*—Upon receipt of a response from an applicant to a notice requesting additional information described under subparagraph (A)(ii), the record on the application shall be deemed complete unless the Board—

“(i) determines that the applicant’s response was materially deficient; and

“(ii) not later than 30 days after the date on which the Board received the response, provides the applicant a detailed notice describing the deficiencies.

“(D) *TREATMENT OF THIRD-PARTY INFORMATION.*—In determining whether the record on an application is complete, the Board may take into account only information provided by the applicant, and may not base the determination of completeness on any information (including reports, views, or recommendations) provided by third parties.

“(8) *DEADLINE FOR DETERMINATION.*—

“(A) *IN GENERAL.*—Notwithstanding any other provision of this subsection, the Board shall

1 *grant or deny an application submitted under*
 2 *this subsection not later than 90 days after the*
 3 *date on which the application was initially sub-*
 4 *mitted to the Board, regardless of whether the*
 5 *record on such initial application was complete.*

6 *“(B) FAILURE TO MAKE A DETERMINA-*
 7 *TION.—If the Board does not grant or deny an*
 8 *application within the time period described*
 9 *under subparagraph (A), such application shall*
 10 *be deemed to have been granted.*

11 *“(C) TOLLING OF PERIOD.—The Board may*
 12 *at any time extend the deadline described under*
 13 *subparagraph (A) at the request of the applicant,*
 14 *but may not extend the deadline more than 30*
 15 *days past the deadline described under subpara-*
 16 *graph (A).”.*

17 *(c) INSURED DEPOSITORY INSTITUTIONS.—Section*
 18 *18(c) of the Federal Deposit Insurance Act (12 U.S.C.*
 19 *1828(c)) is amended by adding at the end the following:*

20 *“(14) COMPLETE RECORD ON AN APPLICATION.—*

21 *“(A) NOTICE TO APPLICANT.—Not later than 30*
 22 *days after the date on which the responsible agency*
 23 *receives a merger application for approval under this*
 24 *subsection, the responsible agency shall transmit to*
 25 *the applicant a letter that either—*

1 “(i) confirms the record on the application
2 is complete; or

3 “(ii) details all additional information that
4 is required for the record on that application to
5 be complete.

6 “(B) *EXTENSION OF NOTICE.*—Notwithstanding
7 subparagraph (A), the responsible agency may, if an
8 application is unusually complex, extend the 30-day
9 period described under subparagraph (A) for an addi-
10 tional 30 days.

11 “(C) *RECEIPT OF RESPONSE; DEEMING OF COM-*
12 *plete Record.*—Upon receipt of a response from an
13 applicant to a notice requesting additional informa-
14 tion described under subparagraph (A)(ii), the record
15 on the application shall be deemed complete unless the
16 responsible agency—

17 “(i) determines that the applicant’s re-
18 sponse was materially deficient; and

19 “(ii) not later than 30 days after the date
20 on which the responsible agency received the re-
21 sponse, provides the applicant a detailed notice
22 describing the deficiencies.

23 “(D) *TREATMENT OF THIRD-PARTY INFORMA-*
24 *tion.*—In determining whether the record on an ap-
25 plication is complete, the responsible agency may take

1 *into account only information provided by the appli-*
2 *cant, and may not base the determination of com-*
3 *pleteness on any information (including reports,*
4 *views, or recommendations) provided by third parties.*

5 “(15) *DEADLINE FOR DETERMINATION.*—

6 “(A) *IN GENERAL.*—*Notwithstanding any other*
7 *provision of this subsection, the responsible agency*
8 *shall grant or deny a merger application submitted*
9 *under this subsection not later than 90 days after the*
10 *date on which the application was initially submitted*
11 *to the responsible agency, regardless of whether the*
12 *record on such initial application was complete.*

13 “(B) *FAILURE TO MAKE A DETERMINATION.*—*If*
14 *the responsible agency does not grant or deny an ap-*
15 *plication within the time period described under sub-*
16 *paragraph (A), such application shall be deemed to*
17 *have been granted.*

18 “(C) *TOLLING OF PERIOD.*—*The responsible*
19 *agency may at any time extend the deadline described*
20 *under subparagraph (A) at the request of the appli-*
21 *cant, but may not extend the deadline more than 30*
22 *days past the deadline described under subparagraph*
23 *(A).”.*

1 **TITLE III—STRESS TESTING AC-**
 2 **COUNTABILITY AND TRANS-**
 3 **PARENCY**

4 **SEC. 301. RULEMAKING RELATED TO STRESS CAPITAL**
 5 **BUFFER REQUIREMENTS.**

6 (a) *IN GENERAL.*—Not later than 90 days after the
 7 date of the enactment of this section, the Board of Governors
 8 of the Federal Reserve System (in this title referred to as
 9 the “Board”) shall issue a rule to establish any models, as-
 10 sumptions, formulas, or other decisional methodologies that
 11 are used to determine any component or subcomponent of
 12 the stress capital buffer requirement for a bank holding
 13 company.

14 (b) *CHANGES.*—The Board may only make changes to
 15 the rule issued under subsection (a) through notice and com-
 16 ment rulemaking.

17 (c) *STRESS CAPITAL BUFFER REQUIREMENT DE-*
 18 *FINED.*—The term “stress capital buffer requirement” has
 19 the meaning given the term in section 225.8(c) of title 12
 20 of the Code of Federal Regulations.

21 **SEC. 302. RULEMAKING RELATING TO STRESS TESTING.**

22 (a) *IN GENERAL.*—Beginning in the first calendar
 23 year beginning after the date of the enactment of this sec-
 24 tion, the Board shall, not less than 30 days before con-
 25 ducting a stress test pursuant to section 165(i) of the Fi-

1 *financial Stability Act of 2010, issue a rule to establish each*
 2 *scenario to be used in such stress test.*

3 *(b) PROHIBITION.—The Board may not, by rule or*
 4 *otherwise, subject any nonbank financial company to a cli-*
 5 *mate-related stress test using the authority provided in sec-*
 6 *tion 165(i) of the Financial Stability Act of 2010.*

7 **SEC. 303. GAO REPORT.**

8 *(a) IN GENERAL.—The Comptroller General of the*
 9 *United States shall, every 3 years, conduct a study and sub-*
 10 *mit a report to the Congress with respect to the stress tests*
 11 *conducted by the Board under section 165(i) of the Finan-*
 12 *cial Stability Act of 2010 in the 3 most recent calendar*
 13 *years.*

14 *(b) CONTENTS.—The report submitted to the Congress*
 15 *under subsection (a) shall consider the effectiveness of the*
 16 *stress tests in evaluating—*

17 *(1) the safety and soundness of the nonbank fi-*
 18 *nancial institutions subjected to stress tests;*

19 *(2) the stability of the United States financial*
 20 *system.*

1 ***TITLE IV—BANK SUPERVISION***
2 ***APPEALS IMPROVEMENT***

3 ***SEC. 401. TIMELINESS OF EXAMINATIONS AND REQUIRED***
4 ***PERMISSION, REGULATORY, AND REPORTING***
5 ***GUIDANCE.***

6 *(a) EXIT INTERVIEW REQUIREMENT; TIMELINESS OF*
7 *EXAMINATIONS.—*

8 *(1) INSURED DEPOSITORY INSTITUTIONS.—Sec-*
9 *tion 10(d) of the Federal Deposit Insurance Act (12*
10 *U.S.C. 1820(d)) is amended by adding at the end the*
11 *following:*

12 *“(11) EXAMINATION TIMELINESS.—The appro-*
13 *priate Federal banking agency shall complete any ex-*
14 *amination of an insured depository institution with-*
15 *in 270 days of commencing the examination, except*
16 *that such period may be extended by the appropriate*
17 *Federal banking agency by providing written notice*
18 *to the insured depository institution describing with*
19 *particularity the reasons that a longer period is need-*
20 *ed.*

21 *“(12) EXIT INTERVIEW REQUIREMENT.—Within*
22 *30 days of completing an examination, the appro-*
23 *priate Federal banking agency shall conduct an exit*
24 *interview with the insured depository institution’s*
25 *senior management and board of directors.*

1 “(13) *TIMELINESS OF EXAMINATION REPORTS.*—

2 “(A) *FINAL EXAMINATION REPORT.*—*With*
 3 *respect to an examination of an insured deposi-*
 4 *tory institution by an appropriate Federal bank-*
 5 *ing agency, the appropriate Federal banking*
 6 *agency shall provide a final examination report*
 7 *to the insured depository institution not later*
 8 *than 60 days after the later of—*

9 “(i) *the exit interview for the examina-*
 10 *tion; or*

11 “(ii) *the provision of additional infor-*
 12 *mation by the insured depository institu-*
 13 *tion relating to the examination.*

14 “(B) *EXAMINATION MATERIALS.*—*Upon the*
 15 *request of an insured depository institution, the*
 16 *appropriate Federal banking agency shall in-*
 17 *clude with a final examination report an appen-*
 18 *dix listing all materials relied upon by the agen-*
 19 *cy in support of all material supervisory deter-*
 20 *minations.*

21 “(C) *MATERIAL SUPERVISORY DETERMINA-*
 22 *TION DEFINED.*—*In this paragraph, the term*
 23 *‘material supervisory determination’ has the*
 24 *meaning given such term in section 309(i) of the*

1 *Riegle Community Development and Regulatory*
 2 *Improvement Act of 1994.”.*

3 (2) *INSURED CREDIT UNIONS.*—Section 204 of
 4 *the Federal Credit Union Act (12 U.S.C. 1784) is*
 5 *amended by adding at the end the following:*

6 “(h) *EXIT INTERVIEW REQUIREMENT; TIMELINESS OF*
 7 *EXAMINATIONS.*—

8 “(1) *EXAMINATION TIMELINESS.*—*The Board*
 9 *shall complete any examination of an insured credit*
 10 *union within 270 days of commencing the examina-*
 11 *tion, except that such period may be extended by the*
 12 *Board by providing written notice to the insured*
 13 *credit union describing with particularity the reasons*
 14 *that a longer period is needed.*

15 “(2) *EXIT INTERVIEW REQUIREMENT.*—*Within*
 16 *30 days of completing an examination, the Board*
 17 *shall conduct an exit interview with the insured cred-*
 18 *it union’s senior management and board of directors.*

19 “(3) *TIMELINESS OF EXAMINATION REPORTS.*—

20 “(A) *FINAL EXAMINATION REPORT.*—*With*
 21 *respect to an examination of an insured credit*
 22 *union, the Board shall provide a final examina-*
 23 *tion report to the insured credit union not later*
 24 *than 60 days after the later of—*

1 “(i) the exit interview for the examina-
2 tion; or

3 “(ii) the provision of additional infor-
4 mation by the insured credit union relating
5 to the examination.

6 “(B) *EXAMINATION MATERIALS*.—Upon the
7 request of an insured credit union, the Board
8 shall include with a final examination report an
9 appendix listing all materials relied upon by the
10 Board in support of all material supervisory de-
11 terminations.

12 “(C) *MATERIAL SUPERVISORY DETERMINA-*
13 *TION DEFINED*.—In this paragraph, the term
14 ‘material supervisory determination’ has the
15 meaning given such term in section 309(i) of the
16 Riegle Community Development and Regulatory
17 Improvement Act of 1994.”.

18 (b) *TIMELINESS OF REQUIRED PERMISSION, REGU-*
19 *LATORY, AND REPORTING GUIDANCE*.—

20 (1) *INSURED DEPOSITORY INSTITUTIONS*.—Sec-
21 tion 10 of the Federal Deposit Insurance Act (12
22 U.S.C. 1820) is amended by adding at the end the fol-
23 lowing:

24 “(l) *TIMELINESS OF REQUIRED PERMISSION, REGU-*
25 *LATORY, AND REPORTING GUIDANCE*.—

1 “(1) *REQUEST FOR PERMISSION OR GUIDANCE.*—
2 *An insured depository institution may request a writ-*
3 *ten determination by the appropriate Federal bank-*
4 *ing agency of—*

5 “(A) *the agency’s permission to take a par-*
6 *ticular action;*

7 “(B) *the agency’s interpretation of a law or*
8 *regulation; and*

9 “(C) *the agency’s interpretation of generally*
10 *accepted accounting principles or accounting ob-*
11 *jectives, standards, and requirements under sec-*
12 *tion 37.*

13 “(2) *CONTENTS OF REQUEST.*—*A request made*
14 *under paragraph (1) shall be in writing and con-*
15 *tain—*

16 “(A) *the nature of the request;*

17 “(B) *applicable facts relating to the matter;*

18 “(C) *applicable law, regulation, or gen-*
19 *erally accepted accounting principles relating to*
20 *the matter; and*

21 “(D) *a summary of the request.*

22 “(3) *RESPONSE TO REQUEST.*—*A Federal bank-*
23 *ing agency receiving a request under paragraph (1)*
24 *shall, not later than 30 days after receiving the re-*
25 *quest—*

1 “(A) provide the insured depository institu-
2 tion making the request with written notification
3 that the agency received the request and stating
4 whether the request contains the information re-
5 quired under paragraph (2); and

6 “(B) if the request does not contain the in-
7 formation required under paragraph (2), provide
8 the insured depository institution with an expla-
9 nation of what information is missing.

10 “(4) *PROVIDING MISSING INFORMATION.*—If a
11 Federal banking agency informs the insured deposi-
12 tory institution under paragraph (3) that the request
13 does not contain all the information required under
14 paragraph (2), the insured depository institution may
15 provide the missing information to the Federal bank-
16 ing agency during the 30-day period beginning on the
17 date the insured depository institution receives the ex-
18 planation of the missing information under para-
19 graph (3).

20 “(5) *DETERMINATION.*—A Federal banking agen-
21 cy receiving a request under paragraph (1) shall
22 make a determination on the request and provide the
23 insured depository institution with a written notice of
24 such determination—

1 “(A) if the initial request contains the in-
2 formation required under paragraph (2), not
3 later than the end of the 60-day period beginning
4 on the date the Federal banking agency notifies
5 the insured depository institution of the receipt
6 of the request under paragraph (3); or

7 “(B) if the initial request does not contain
8 the information required under paragraph (2)—

9 “(i) not later than the end of the 60-
10 day period beginning on the date that the
11 insured depository institution provides the
12 Federal banking agency with the missing
13 information under paragraph (4); or

14 “(ii) if the insured depository institu-
15 tion does not provide the Federal banking
16 agency with the missing information within
17 the 30-day period described under para-
18 graph (4), not later than the end of the 60-
19 day period beginning on the end of such 30-
20 day period.

21 “(6) *REPORTS AND PUBLICATION.*—Each Federal
22 banking agency shall, within 120 days after making
23 a determination under paragraph (5), publish a sum-
24 mary of the determination on the public website of the
25 Federal banking agency. Each Federal banking agen-

1 *cy shall redact any confidential supervisory informa-*
 2 *tion about the insured depository institution, any*
 3 *identifying facts about the institution, and any sen-*
 4 *sitive personally identifiable information.”.*

5 (2) *INSURED CREDIT UNIONS.*—Section 209 of
 6 *the Federal Credit Union Act (12 U.S.C. 1789) is*
 7 *amended by adding at the end the following:*

8 “(c) *TIMELINESS OF REQUIRED PERMISSION, REGU-*
 9 *LATORY, AND REPORTING GUIDANCE.*—

10 “(1) *REQUEST FOR PERMISSION OR GUIDANCE.*—
 11 *An insured credit union may request a written deter-*
 12 *mination by the Board of—*

13 “(A) *the Board’s permission to take a par-*
 14 *ticular action;*

15 “(B) *the Board’s interpretation of a law or*
 16 *regulation; and*

17 “(C) *the Board’s interpretation of generally*
 18 *accepted accounting principles or other account-*
 19 *ing objectives, standards, and requirements.*

20 “(2) *CONTENTS OF REQUEST.*—*A request made*
 21 *under paragraph (1) shall be in writing and con-*
 22 *tain—*

23 “(A) *the nature of the request;*

24 “(B) *applicable facts relating to the matter;*

1 “(C) applicable law, regulation, or gen-
2 erally accepted accounting principles relating to
3 the matter; and

4 “(D) a summary of the request.

5 “(3) *RESPONSE TO REQUEST.*—The Board, upon
6 receiving a request under paragraph (1) shall, not
7 later than 30 days after receiving the request—

8 “(A) provide the insured credit union mak-
9 ing the request with written notification that the
10 Board received the request and stating whether
11 the request contains the information required
12 under paragraph (2); and

13 “(B) if the request does not contain the in-
14 formation required under paragraph (2), provide
15 the insured credit union with an explanation of
16 what information is missing.

17 “(4) *PROVIDING MISSING INFORMATION.*—If the
18 Board informs the insured credit union under para-
19 graph (3) that the request does not contain all the in-
20 formation required under paragraph (2), the insured
21 credit union may provide the missing information to
22 the Board during the 30-day period beginning on the
23 date the insured credit union receives the explanation
24 of the missing information under paragraph (3).

1 “(5) *DETERMINATION.*—*The Board shall make a*
2 *determination on a request made under paragraph*
3 *(1) and provide the insured credit union with a writ-*
4 *ten notice of such determination—*

5 “(A) *if the initial request contains the in-*
6 *formation required under paragraph (2), not*
7 *later than the end of the 60-day period beginning*
8 *on the date the Board notifies the insured credit*
9 *union of the receipt of the request under para-*
10 *graph (3); or*

11 “(B) *if the initial request does not contain*
12 *the information required under paragraph (2)—*

13 “(i) *not later than the end of the 60-*
14 *day period beginning on the date that the*
15 *insured credit union provides the Board*
16 *with the missing information under para-*
17 *graph (4); or*

18 “(ii) *if the insured credit union does*
19 *not provide the Board with the missing in-*
20 *formation within the 30-day period de-*
21 *scribed under paragraph (4), not later than*
22 *the end of the 60-day period beginning on*
23 *the end of such 30-day period.*

24 “(6) *REPORTS AND PUBLICATION.*—*The Board*
25 *shall, within 120 days after making a determination*

1 under paragraph (5), publish a summary of the deter-
 2 mination on the public website of the Board. The
 3 Board shall redact any confidential supervisory infor-
 4 mation about the insured credit union, any identi-
 5 fying facts about the credit union, and any sensitive
 6 personally identifiable information.”.

7 **SEC. 402. UPDATE OF INDEPENDENT INTRA-AGENCY APPEL-**
 8 **LATE PROCESS FOR REVIEWING MATERIAL**
 9 **SUPERVISORY DETERMINATIONS.**

10 (a) *UPDATE OF INDEPENDENT INTRA-AGENCY APPEL-*
 11 *LATE PROCESS.*—Not later than 180 days after the date of
 12 enactment of this Act, the Board of Governors of the Federal
 13 Reserve System, the Comptroller of the Currency, the Fed-
 14 eral Deposit Insurance Corporation Board, and the Na-
 15 tional Credit Union Administration Board shall revise the
 16 independent intra-agency appellate process required under
 17 section 309(a) of the Riegle Community Development and
 18 Regulatory Improvement Act of 1994 (12 U.S.C. 4806(a)).

19 (b) *OFFICE OF SUPERVISORY APPEALS; APPEALS*
 20 *PROCESS.*—Section 309 of the Riegle Community Develop-
 21 ment and Regulatory Improvement Act of 1994 (12 U.S.C.
 22 4806) is amended—

23 (1) by redesignating subsection (f) as subsection
 24 (i); and

25 (2) by inserting after subsection (e) the following:

1 “(f) *OFFICE OF SUPERVISORY APPEALS.*—*The Federal*
 2 *banking agencies and the National Credit Union Adminis-*
 3 *tration shall each establish an Office of Supervisory Ap-*
 4 *peals to carry out the independent intra-agency appellate*
 5 *process required under this section.*

6 “(g) *APPEALS OFFICIALS.*—

7 “(1) *APPOINTMENT.*—*The head of each of the*
 8 *Federal banking agencies and the National Credit*
 9 *Union Administration shall appoint appeals officials,*
 10 *in a number sufficient to fully staff the panels de-*
 11 *scribed under subsection (h), from among the fol-*
 12 *lowing classes of individuals:*

13 “(A) *Individuals who have financial insti-*
 14 *tutions regulatory agency experience.*

15 “(B) *Individuals who—*

16 “(i) *are a licensed attorney or a cer-*
 17 *tified public accountant authorized to prac-*
 18 *tice under the laws of a State, the District*
 19 *of Columbia, or a territory of the United*
 20 *States;*

21 “(ii) *have either academic or private*
 22 *sector experience;*

23 “(iii) *have relevant subject matter*
 24 *knowledge or work-related experience in the*

1 *financial services sector, as determined by*
2 *the agency making the appointment; and*

3 “(iv) *are not, and were not during the*
4 *previous 10-year period, employed by a*
5 *Federal banking agency, a Federal reserve*
6 *bank, or the National Credit Union Admin-*
7 *istration.*

8 “(C) *Individuals—*

9 “(i) *with at least 10 years private sec-*
10 *tor financial services senior management-*
11 *level experience; and*

12 “(ii) *recommended by—*

13 “(I) *an insured depository insti-*
14 *tution;*

15 “(II) *an insured credit union; or*

16 “(III) *a trade association for such*
17 *institutions or credit unions.*

18 “(2) *TERM.—*

19 “(A) *IN GENERAL.—Each appeals official*
20 *appointed under paragraph (1) shall serve for a*
21 *term of 3 years.*

22 “(B) *TERM LIMITATION.—No individual*
23 *may be appointed under paragraph (1) to serve*
24 *more than 2 full terms.*

1 “(C) *DISMISSAL.*—An appeals official ap-
 2 pointed under paragraph (1) may be removed at
 3 any time by the appointing agency.

4 “(h) *APPEALS PROCESS AND PANEL HEARING OF MA-*
 5 *TERIAL SUPERVISORY DETERMINATIONS.*—

6 “(1) *APPEAL TO THE HEAD OF SUPERVISION.*—

7 “(A) *IN GENERAL.*—An institution seeking
 8 an appeal of a material supervisory determina-
 9 tion shall—

10 “(i) file a written appeal to the head
 11 of supervision for the agency not later than
 12 30 days after receiving the material super-
 13 visory determination from the agency; and

14 “(ii) include in the appeal—

15 “(I) a clear and complete state-
 16 ment of all relevant facts and issues;

17 “(II) all arguments that the insti-
 18 tution wishes to present; and

19 “(III) all relevant and material
 20 documents that the institution wishes
 21 to be considered.

22 “(B) *EXTENSION.*—The institution may file
 23 a written request with the head of supervision for
 24 an extension of the 30-day time period described
 25 under subparagraph (A)(i), which shall state

1 *good cause for granting the extension. Such re-*
2 *quest shall be granted in the sole discretion of the*
3 *head of supervision.*

4 “(C) *INFORMATION MADE AVAILABLE TO IN-*
5 *STITUTION.—An institution seeking an appeal of*
6 *a material supervisory determination may, not*
7 *later than 7 days after receiving the material su-*
8 *pervisory determination, request that the agency*
9 *provide the institution with any information re-*
10 *lied upon by the agency in making the material*
11 *supervisory determination. The agency shall pro-*
12 *vide that information to the institution not later*
13 *than 14 days after receiving the request.*

14 “(2) *CONSIDERATION OF APPEAL BY THE HEAD*
15 *OF SUPERVISION.—*

16 “(A) *IN GENERAL.—A head of supervision*
17 *receiving an appeal under paragraph (1) shall,*
18 *after reviewing the information provided by the*
19 *institution in such appeal—*

20 “(i) *grant the appeal;*

21 “(ii) *refer the appeal to a panel ap-*
22 *pointed under paragraph (3) for a rec-*
23 *ommendation; or*

24 “(iii) *deny the appeal.*

1 “(B) *NOTIFICATION.*—A head of supervision
2 shall promptly inform the institution and the
3 head of the agency after granting, referring, or
4 denying an appeal under subparagraph (A).

5 “(C) *RIGHT TO APPEAL DENIAL.*—An insti-
6 tution that has an appeal denied by the head of
7 supervision under subparagraph (A) may appeal
8 such denial directly to a panel appointed under
9 paragraph (3).

10 “(3) *APPOINTMENT OF PANEL.*—

11 “(A) *IN GENERAL.*—With respect to each
12 appeal referred by a head of supervision under
13 paragraph (2)(A)(ii) or appealed by an institu-
14 tion after a denial under paragraph (2)(A)(iii),
15 the agency shall appoint a panel of 3 appeals of-
16 ficials to provide a recommendation on such ap-
17 peal, with 1 of the 3 appeals officials being ap-
18 pointed to the panel from individuals in each of
19 the classes described under subparagraphs (A),
20 (B), and (C) of subsection (g)(1).

21 “(B) *REPORTING PROHIBITION.*—An ap-
22 peals official may not be appointed to a panel
23 under subparagraph (A) if the appeals official is
24 reporting, or has reported, directly or indirectly
25 in the past 5 years, to the agency official who

1 *made the material supervisory determination*
2 *under review.*

3 “(4) *PANEL HEARINGS.*—

4 “(A) *REQUEST FOR HEARING.*—*An institu-*
5 *tion may request a hearing with the panel on the*
6 *institution’s appeal by—*

7 “(i) *making such request not later than*
8 *7 days after the date on which the institu-*
9 *tion is informed that the head of super-*
10 *vision referred an appeal to a panel under*
11 *paragraph (2); or*

12 “(ii) *including the request in the insti-*
13 *tution’s appeal of a denial under paragraph*
14 *(2).*

15 “(B) *TIMING OF HEARING.*—*If an institu-*
16 *tion requests a hearing, as described under sub-*
17 *paragraph (A), the panel shall provide the insti-*
18 *tution with a hearing on the institution’s appeal*
19 *not later than 30 days after the date the hearing*
20 *is requested, except the panel may, in the discre-*
21 *tion of the panel or upon good cause shown, ex-*
22 *tend such deadline by up to 15 days.*

23 “(C) *RULEMAKING.*—*The Federal banking*
24 *agencies and the National Credit Union Admin-*
25 *istration shall each issue rules to establish proce-*

dures for panel hearings described under this paragraph, including that—

“(i) the institution may appear at the hearing personally or through counsel;

“(ii) the institution may provide an oral and written presentation at the hearing;

“(iii) the panel may ask questions of any person participating in the hearing;

“(iv) the hearing may not involve—

“(I) taking testimony;

“(II) a cross-examination; and

“(III) discovery;

“(v) the hearing shall not be governed by formal rules of evidence; and

“(vi) the panel shall have a verbatim transcript of the hearing prepared.

“(5) *RECOMMENDATION BY PANEL.*—

“(A) *IN GENERAL.*—A panel making a recommendation on an appeal under this subsection shall make the recommendation not later than—

“(i) 90 days after the date on which the appeal was referred by a head of supervision under paragraph (2)(A)(ii) or ap-

1 *pealed by an institution after a denial*
2 *under paragraph (2)(A); or*

3 *“(ii) if the institution requested a*
4 *hearing under paragraph (4), 60 days after*
5 *the date on which the hearing concluded.*

6 *“(B) FORM OF RECOMMENDATION.—The*
7 *panel may recommend—*

8 *“(i) that the material supervisory de-*
9 *termination be continued, terminated, or*
10 *otherwise modified; or*

11 *“(ii) that the material supervisory de-*
12 *termination be remanded to the examiners*
13 *to allow the examiners to consider addi-*
14 *tional information presented in connection*
15 *with the appeal.*

16 *“(C) NOTICE.—After a recommendation is*
17 *made under subparagraph (A), the panel shall*
18 *promptly notify the institution, the head of su-*
19 *pervision of the agency, and the head of the*
20 *agency of the recommendation, which shall con-*
21 *tain a statement of the basis for the panel’s rec-*
22 *ommendation and identify the information on*
23 *which the panel relied in reaching the rec-*
24 *ommendation.*

1 “(D) *PUBLICATION*.—A copy of each panel
2 *recommendation shall be posted on the agency’s*
3 *public website as soon as practicable, with ex-*
4 *empt information redacted. If the panel deter-*
5 *mines that redaction is insufficient to prevent*
6 *improper disclosure, the recommendation may be*
7 *presented in summary form.*

8 “(E) *STANDARD OF REVIEW*.—A panel’s re-
9 *view of a material supervisory determination*
10 *being appealed under this subsection shall be de*
11 *novo.*

12 “(F) *NO AUTHORITY TO DELAY OR STAY OR-*
13 *DERS*.—A panel shall have no authority to delay
14 *or stay the implementation of any formal order*
15 *from the applicable agency.*

16 “(6) *REVIEW BY THE HEAD OF THE AGENCY*.—

17 “(A) *RESPONSE BY INSTITUTION*.—Not later
18 *than 15 days after receiving a notice of a rec-*
19 *ommendation under paragraph (5)(C), the insti-*
20 *tution may submit to the head of the agency*
21 *written exceptions to the recommended decision.*

22 “(B) *REVIEW BY HEAD OF THE AGENCY*.—
23 *Not later than 45 days after receiving a notice*
24 *of a recommendation under paragraph (5)(C),*

1 *the head of an agency shall review such decision*
2 *and either ratify or reject the panel’s decision.*

3 *“(C) REVIEW MAY NOT BE DELEGATED.—A*
4 *review by the head of an agency under this para-*
5 *graph may not be delegated to any other em-*
6 *ployee of the agency and, in the case of an agen-*
7 *cy that is headed by a body made up of multiple*
8 *individuals, all such individuals shall partici-*
9 *pate in the review.*

10 *“(D) REPORTS TO CONGRESS.—The Federal*
11 *banking agencies and the National Credit Union*
12 *Administration shall each, not later than 90*
13 *days after the end of each calendar year, issue a*
14 *report to the Committee on Financial Services of*
15 *the House of Representatives and the Committee*
16 *on Banking, Housing, and Urban Affairs of the*
17 *Senate describing the actions taken by the agen-*
18 *cy under this paragraph during such calendar*
19 *year, including information on each of the panel*
20 *decisions reviewed, after redacting any confiden-*
21 *tial supervisory information.*

22 *“(E) PUBLICATION.—A copy of each deci-*
23 *sion by the head of the agency under this para-*
24 *graph shall be posted on the agency’s public*
25 *website as soon as practicable, with any infor-*

1 *mation identifying the appealing institution re-*
2 *dacted. If the head of the agency determinates*
3 *that redaction is insufficient to prevent improper*
4 *disclosure, the decision may be presented in sum-*
5 *mary form.*

6 “(7) *RIGHT TO JUDICIAL REVIEW.*—*An institu-*
7 *tion shall have the right to petition for review of an*
8 *agency head’s decision under paragraph (6) by filing*
9 *a petition for review not later than 60 days after the*
10 *date on which the decision was made in the United*
11 *States Court of Appeals for the District of Columbia*
12 *Circuit or the circuit in which the institution is lo-*
13 *cated.*

14 “(8) *RETALIATION PROHIBITED.*—*The Federal*
15 *banking agencies and the National Credit Union Ad-*
16 *ministration may not—*

17 “(A) *retaliate against an insured depository*
18 *institution or insured credit union, or a service*
19 *provider or institution-affiliated party of an in-*
20 *sured depository institution or insured credit*
21 *union, for exercising rights under this subsection;*
22 *or*

23 “(B) *delay or deny any agency action that*
24 *would benefit an insured depository institution*
25 *or insured credit union, or a service provider or*

1 *institution-affiliated party of an insured deposi-*
 2 *tory institution or insured credit union, on the*
 3 *basis that a matter under this section is pending*
 4 *under this section.*

5 “(9) *DEFINITIONS.*—*With respect to the appeal*
 6 *of a material supervisory determination under this*
 7 *subsection:*

8 “(A) *AGENCY.*—*The term ‘agency’ means*
 9 *the Federal agency, either a Federal banking*
 10 *agency or the National Credit Union Adminis-*
 11 *tration, that made the material supervisory de-*
 12 *termination.*

13 “(B) *INSTITUTION.*—*The term ‘institution’*
 14 *means the company, either an insured depository*
 15 *institution or an insured credit union, with re-*
 16 *spect to which the material supervisory deter-*
 17 *mination was made.”.*

18 **SEC. 403. REVIEW OF RESOLUTION ACTIONS RESULTING IN**
 19 **A MATERIAL LOSS.**

20 *Section 38(k) of the Federal Deposit Insurance Act (12*
 21 *U.S.C. 1831o(k)) is amended by adding at the end the fol-*
 22 *lowing:*

23 “(7) *REVIEW OF RESOLUTION ACTIONS BY COR-*
 24 *PORATION INSPECTOR GENERAL.*—

1 “(A) *IN GENERAL.*—If the Deposit Insur-
2 *ance Fund incurs a material loss with respect to*
3 *an insured depository institution, the inspector*
4 *general of the Corporation shall—*

5 “(i) *review the Corporation’s resolution*
6 *of the institution to determine whether the*
7 *material loss to the Deposit Insurance Fund*
8 *could have been avoided by the Corporation*
9 *when resolving the institution; and*

10 “(ii) *make a written report to the Cor-*
11 *poration and the Congress containing the*
12 *results of such review and any recommenda-*
13 *tions for preventing a material loss to the*
14 *Deposit Insurance Fund in the future when*
15 *resolving an institution.*

16 “(B) *TESTIMONY TO CONGRESS.*—If the in-
17 *spector general of the Corporation determines, in*
18 *a review carried out under subparagraph (A)*
19 *that the Corporation’s resolution of an institu-*
20 *tion caused a material loss to the Deposit Insur-*
21 *ance Fund, but such resolution could have been*
22 *carried out in a manner to avoid such a mate-*
23 *rial loss, the Chairperson of the Corporation*
24 *shall testify before the Committee on Financial*
25 *Services of the House of Representatives and the*

1 *Committee on Banking, Housing, and Urban Af-*
 2 *fairs of the Senate to explain why the material*
 3 *loss occurred.”.*

4 ***TITLE V—REVIEW OF DISCOUNT***
 5 ***WINDOW OPERATIONS***

6 ***SEC. 501. REVIEW OF DISCOUNT WINDOW OPERATIONS.***

7 *Section 10 of the Federal Reserve Act (12 U.S.C. 241*
 8 *et seq.) is amended—*

9 *(1) by redesignating paragraph (12) as para-*
 10 *graph (11); and*

11 *(2) by adding at the end the following:*

12 “(12) *REVIEW OF DISCOUNT WINDOW OPER-*
 13 *ATIONS.—*

14 “(A) *IN GENERAL.—Not later than 60 days*
 15 *after the date of enactment of this paragraph, the*
 16 *Board of Governors shall commence a review of*
 17 *the discount window lending programs of the*
 18 *Federal reserve banks (the ‘discount window’),*
 19 *and shall complete such review not later than*
 20 *240 days after the date of enactment of this*
 21 *paragraph.*

22 “(B) *CONTENTS.—The review required by*
 23 *subparagraph (A) shall include a consideration*
 24 *of—*

1 “(i) the effectiveness of the discount
2 window in providing liquidity to financial
3 institutions, including in times of financial
4 stress;

5 “(ii) whether the technology infrastruc-
6 ture, including means of communications,
7 are sufficient to support the timely provi-
8 sion of liquidity, including in times of fi-
9 nancial stress;

10 “(iii) the effectiveness of cybersecurity
11 measures;

12 “(iv) the effectiveness of communica-
13 tions between Federal reserve banks regard-
14 ing discount window operations;

15 “(v) the effectiveness of the Board of
16 Governors in providing oversight of the dis-
17 count window;

18 “(vi) how the discount window inter-
19 acts with other providers of liquidity, in-
20 cluding the Federal Home Loan Banks,
21 during both normal operations and times of
22 financial distress; and

23 “(vii) the effectiveness of existing dis-
24 count window operating hours and whether
25 such hours should be expanded, taking into

1 *account the interaction between discount*
2 *window operating hours and the operating*
3 *hours of payment systems of the Board of*
4 *Governors and Federal reserve banks, such*
5 *as FedWire and FedNow.*

6 “(C) *PUBLIC COMMENT.*—*In carrying out*
7 *the review required by subparagraph (A), the*
8 *Board of Governors shall provide the public with*
9 *an opportunity to comment on the effectiveness*
10 *of discount window operations and to offer sug-*
11 *gestions for improving operations.*

12 “(D) *REMEDIATION PLAN.*—*After com-*
13 *pleting the review required by subparagraph (A)*
14 *and considering any public comments received*
15 *pursuant to subparagraph (C), the Board of*
16 *Governors shall develop, and approve by a vote*
17 *of the Board of Governors, a written plan to re-*
18 *mediate any identified deficiencies or areas for*
19 *enhancing effectiveness of the discount window,*
20 *which shall include—*

21 “(i) *an identification of actions that*
22 *the Board of Governors will take to reme-*
23 *diate those deficiencies;*

24 “(ii) *timelines and milestones for im-*
25 *plementing the plan and measures to dem-*

1 *onstrate how the Board of Governors will*
 2 *maintain implemented improvements on an*
 3 *ongoing basis; and*

4 *“(iii) measures of managing and con-*
 5 *trolling deficiencies until the plan is imple-*
 6 *mented in full.*

7 *“(E) REPORT TO CONGRESS ON REVIEW*
 8 *AND PLAN.—*

9 *“(i) IN GENERAL.—Not later than 365*
 10 *days after the date of enactment of this*
 11 *paragraph, the Board of Governors shall,*
 12 *after approval by a vote of the Board of*
 13 *Governors, submit a report to the Com-*
 14 *mittee on Financial Services of the House of*
 15 *Representatives and the Committee on*
 16 *Banking, Housing, and Urban Affairs of*
 17 *the Senate containing—*

18 *“(I) the findings of the review re-*
 19 *quired by subparagraph (A); and*

20 *“(II) the remediation plan re-*
 21 *quired by subparagraph (D).*

22 *“(ii) CONSULTATION.—Before submit-*
 23 *ting the report required by clause (i), the*
 24 *Board of Governors shall—*

1 “(I) provide a copy of the pro-
2 posed report to the Comptroller Gen-
3 eral of the United States and the In-
4 specter General of the Board of Gov-
5 ernors of the Federal Reserve System
6 and the Bureau of Consumer Financial
7 Protection; and

8 “(II) provide the Comptroller
9 General and Inspector General with an
10 opportunity to provide feedback on the
11 report.

12 “(iii) *TESTIMONY.*—The Chairman of
13 the Board of Governors shall testify before
14 the Committee on Financial Services of the
15 House of Representatives and the Committee
16 on Banking, Housing, and Urban Affairs of
17 the Senate with respect to the contents of the
18 report required under this subparagraph.

19 “(F) *ANNUAL REPORTS TO CONGRESS.*—

20 “(i) *REPORTS BY THE BOARD.*—The
21 Board of Governors shall submit an annual
22 report to the Committee on Financial Serv-
23 ices of the House of Representatives and the
24 Committee on Banking, Housing, and
25 Urban Affairs of the Senate containing a

1 *review of the effectiveness of discount win-*
2 *dow operations.*

3 “(ii) *REPORTS BY THE INSPECTOR*
4 *GENERAL.—The Inspector General of the*
5 *Board of Governors of the Federal Reserve*
6 *System and the Bureau of Consumer Fi-*
7 *nancial Protection shall submit an annual*
8 *report to the Committee on Financial Serv-*
9 *ices of the House of Representatives and the*
10 *Committee on Banking, Housing, and*
11 *Urban Affairs of the Senate containing a*
12 *report on the progress of the Board of Gov-*
13 *ernors in implementing the remediation*
14 *plan required by subparagraph (D).*

15 “(G) *CONFIDENTIAL REPORT INFORMA-*
16 *TION.—Any report required under this para-*
17 *graph may contain a confidential annex con-*
18 *taining information that details any cybersecu-*
19 *rity deficiencies or any deficiencies which, if*
20 *made public, could cause financial instability.”.*

1 ***TITLE VI—SMALL BANK***
2 ***HOLDING COMPANY RELIEF***

3 ***SEC. 601. CHANGES REQUIRED TO THE SMALL BANK HOLD-***
4 ***ING COMPANY AND SAVINGS AND LOAN***
5 ***HOLDING COMPANY POLICY STATEMENT.***

6 *Not later than 180 days after the date of enactment*
7 *of this Act, the Board of Governors of the Federal Reserve*
8 *System shall revise appendix C to part 225 of title 12, Code*
9 *of Federal Regulations (commonly known as the “Small*
10 *Bank Holding Company and Savings and Loan Holding*
11 *Company Policy Statement”), to raise the consolidated*
12 *asset threshold under that appendix to \$10,000,000,000 for*
13 *any bank holding company or savings and loan holding*
14 *company.*

Union Calendar No. 651

118TH CONGRESS
2^D Session

H. R. 8337

[Report No. 118-788]

A BILL

To amend the Federal banking laws to improve the safety and soundness of the United States banking system, and for other purposes.

DECEMBER 3, 2024

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