

Suspend the Rules and Pass the Bill, H.R. 1408, With An Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

114TH CONGRESS
1ST SESSION

H. R. 1408

To require certain Federal banking agencies to conduct a study of the appropriate capital requirements for mortgage servicing assets for nonsystemic banking institutions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2015

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

A BILL

To require certain Federal banking agencies to conduct a study of the appropriate capital requirements for mortgage servicing assets for nonsystemic banking institutions, 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 “Mortgage Servicing
5 Asset Capital Requirements Act of 2015”.

1 **SEC. 2. STUDY OF MORTGAGE SERVICING ASSETS.**

2 (a) DEFINITIONS.—In this section:

3 (1) BANKING INSTITUTION.—The term “bank-
4 ing institution” means an insured depository institu-
5 tion, Federal credit union, State credit union, bank
6 holding company, or savings and loan holding com-
7 pany.

8 (2) BASEL III CAPITAL REQUIREMENTS.—The
9 term “Basel III capital requirements” means the
10 Global Regulatory Framework for More Resilient
11 Banks and Banking Systems issued by the Basel
12 Committee on Banking Supervision on December 16,
13 2010, as revised on June 1, 2011.

14 (3) FEDERAL BANKING AGENCIES.—The term
15 “Federal banking agencies” means the Board of
16 Governors of the Federal Reserve System, the Office
17 of the Comptroller of the Currency, the Federal De-
18 posit Insurance Corporation, and the National Cred-
19 it Union Administration.

20 (4) MORTGAGE SERVICING ASSETS.—The term
21 “mortgage servicing assets” means those assets that
22 result from contracts to service loans secured by real
23 estate, where such loans are owned by third parties.

24 (5) NCUA CAPITAL REQUIREMENTS.—The term
25 “NCUA capital requirements” means the proposed
26 rule of the National Credit Union Administration

1 entitled “Risk-Based Capital” (80 Fed. Reg. 4340
2 (January 27, 2015)).

3 (6) OTHER DEFINITIONS.—

4 (A) BANKING DEFINITIONS.—The terms
5 “bank holding company”, “insured depository
6 institution”, and “savings and loan holding
7 company” have the meanings given those terms
8 in section 3 of the Federal Deposit Insurance
9 Act (12 U.S.C. 1813).

10 (B) CREDIT UNION DEFINITIONS.—The
11 terms “Federal credit union” and “State credit
12 union” have the meanings given those terms in
13 section 101 of the Federal Credit Union Act
14 (12 U.S.C. 1752).

15 (b) STUDY OF THE APPROPRIATE CAPITAL FOR
16 MORTGAGE SERVICING ASSETS.—

17 (1) IN GENERAL.—The Federal banking agen-
18 cies shall jointly conduct, in consultation with State
19 regulators of banking institutions, a study of the ap-
20 propriate capital requirements for mortgage serv-
21 icing assets for banking institutions.

22 (2) ISSUES TO BE STUDIED.—The study re-
23 quired under paragraph (1) shall include, with a
24 specific focus on banking institutions—

1 (A) the risk to banking institutions of
2 holding mortgage servicing assets;

3 (B) the history of the market for mortgage
4 servicing assets, including in particular the
5 market for those assets in the period of the fi-
6 nancial crisis;

7 (C) the ability of banking institutions to
8 establish a value for mortgage servicing assets
9 of the institution through periodic sales or other
10 means;

11 (D) regulatory approaches to mortgage
12 servicing assets and capital requirements that
13 may be used to address concerns about the
14 value of and ability to sell mortgage servicing
15 assets;

16 (E) the impact of imposing the Basel III
17 capital requirements and the NCUA capital re-
18 quirements on banking institutions on the abil-
19 ity of those institutions—

20 (i) to compete in the mortgage serv-
21 icing business, including the need for
22 economies of scale to compete in that busi-
23 ness; and

1 (ii) to provide service to consumers to
2 whom the institutions have made mortgage
3 loans;

4 (F) an analysis of what the mortgage serv-
5 icing marketplace would look like if the Basel
6 III capital requirements and the NCUA capital
7 requirements on mortgage servicing assets—

8 (i) were fully implemented; and

9 (ii) applied to both banking institu-
10 tions and nondepository residential mort-
11 gage loan servicers;

12 (G) the significance of problems with mort-
13 gage servicing assets, if any, in banking institu-
14 tion failures and problem banking institutions,
15 including specifically identifying failed banking
16 institutions where mortgage servicing assets
17 contributed to the failure; and

18 (H) an analysis of the relevance of the
19 Basel III capital requirements and the NCUA
20 capital requirements on mortgage servicing as-
21 sets to the banking systems of other signifi-
22 cantly developed countries.

23 (3) REPORT TO CONGRESS.—Not later than
24 180 days after the date of enactment of this Act, the
25 Federal banking agencies shall submit to the Com-

1 mittee on Banking, Housing, and Urban Affairs of
2 the Senate and the Committee on Financial Services
3 of the House of Representatives a report con-
4 taining—

5 (A) the results of the study required under
6 paragraph (1);

7 (B) any analysis on the specific issue of
8 mortgage servicing assets undertaken by the
9 Federal banking agencies before finalizing regu-
10 lations implementing the Basel III capital re-
11 quirements and the NCUA capital require-
12 ments; and

13 (C) any recommendations for legislative or
14 regulatory actions that would address concerns
15 about the value of and ability to sell and the
16 ability of banking institutions to hold mortgage
17 servicing assets.