

Union Calendar No.

114TH CONGRESS
1ST SESSION

H. R. 2209

[Report No. 114-]

To require the appropriate Federal banking agencies to treat certain municipal obligations as level 2A liquid assets, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2015

Mr. MESSER (for himself, Mr. KING of New York, Ms. SEWELL of Alabama, Mr. STIVERS, Mr. HULTGREN, Mrs. CAROLYN B. MALONEY of New York, Mr. CAPUANO, Mr. CLEAVER, Ms. MOORE, and Mr. NEUGEBAUER) introduced the following bill; which was referred to the Committee on Financial Services

NOVEMBER --, 2015

Committed to the Committee of the Whole House on the State of the Union,
and ordered to be printed

A BILL

To require the appropriate Federal banking agencies to treat certain municipal obligations as level 2A liquid assets, 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. TREATMENT OF CERTAIN MUNICIPAL OBLIGA-**
4 **TIONS.**

5 (a) IN GENERAL.—Section 18 of the Federal Deposit
6 Insurance Act (12 U.S.C. 1828) is amended—

7 (1) by moving subsection (z) so that it appears
8 after subsection (y); and

9 (2) by adding at the end the following:

10 “(aa) TREATMENT OF CERTAIN MUNICIPAL OBLIGA-
11 TIONS.—

12 “(1) IN GENERAL.—For purposes of the final
13 rule titled ‘Liquidity Coverage Ratio: Liquidity Risk
14 Measurement Standards; Final Rule’ (79 Fed. Reg.
15 61439; published October 10, 2014) (the ‘Final
16 Rule’) and any other regulation which incorporates
17 a definition of the term ‘high-quality liquid asset’,
18 the appropriate Federal banking agencies shall treat
19 a municipal obligation that is both liquid and readily
20 marketable (as defined in the Final Rule) and in-
21 vestment grade as of the calculation date as a high-
22 quality liquid asset that is a level 2A liquid asset.

23 “(2) DEFINITIONS.—For purposes of this sub-
24 section:

1 “(A) INVESTMENT GRADE.—With respect
2 to an obligation, the term ‘investment grade’
3 has the meaning given that term under part 1
4 of title 12, Code of Federal Regulations.

5 “(B) MUNICIPAL OBLIGATION.—The term
6 ‘municipal obligation’ means an obligation of a
7 State or any political subdivision thereof, or any
8 agency or instrumentality of a State or any po-
9 litical subdivision thereof.”.

10 (b) AMENDMENT TO LIQUIDITY COVERAGE RATIO
11 REGULATIONS.—Not later than the end of the 3-month
12 period beginning on the date of the enactment of this Act,
13 the Federal Deposit Insurance Corporation, the Board of
14 Governors of the Federal Reserve System, and the Comp-
15 troller of the Currency shall amend the final rule titled
16 “Liquidity Coverage Ratio: Liquidity Risk Measurement
17 Standards; Final Rule” (79 Fed. Reg. 61439; published
18 October 10, 2014) to implement the amendments made
19 by this Act.