

Suspend the Rules and Pass the Bill, H.R. 4841, with an Amendment

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

116TH CONGRESS
1ST SESSION

H. R. 4841

To require the prudential banking regulators to provide annual testimony to Congress on their supervision and regulation activities, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 2019

Mr. PHILLIPS (for himself, Mr. LOUDERMILK, and Mrs. BEATTY) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Prudential Regulator
5 Oversight Act”.

1 **SEC. 2. ANNUAL TESTIMONY.**

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

6 **“SEC. 629. ANNUAL TESTIMONY OF PRUDENTIAL REGU-**
7 **LATORS.**

8 “(a) SEMI-ANNUAL REPORT.—

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

18 “(2) SPECIFIC CONTENTS.—Each report re-
19 quired under paragraph (1) shall include a descrip-
20 tion of—

21 “(A) the safety and soundness of deposi-
22 tory institution holding companies, depository
23 institutions, and credit unions, including cap-
24 ital, liquidity, leverage, stress testing, and living
25 wills, as applicable;

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

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

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

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

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

22 “(C) emerging risks that may affect depository
23 institutions and potential threats to the fi-
24 nancial stability of the United States, and any
25 actions the regulator took in coordination with

1 the Office of Financial Research, to identify
2 and mitigate those threats;

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

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

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

23 “(G) any mandatory provision of law that
24 has not been implemented yet by the regulator,

1 including the date on which the mandatory pro-
2 vision will be implemented;

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

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

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

20 “(K) cybersecurity of depository institution
21 holding companies, depository institutions, and
22 credit unions, including steps taken to enhance
23 cyber readiness and strengthen the protection
24 of consumer data; and

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

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

15 “(b) TESTIMONY.—

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

22 “(2) VICE CHAIRMAN FOR SUPERVISION.—The
23 Vice Chairman for Supervision of the Board of Gov-
24 ernors shall appear before the Committee on Bank-
25 ing, Housing, and Urban Affairs of the Senate and

1 the Committee on Financial Services of the House of
2 Representatives at a semiannual hearing to testify
3 with respect to the reports required under subsection
4 (a). Any such appearance shall satisfy the require-
5 ments of section 10(12) of the Federal Reserve Act.

6 “(c) DEFINITIONS.—In this section:

7 “(1) BANK SECRECY ACT.—The term ‘Bank Se-
8 crecy Act’ means—

9 “(A) section 21 of the Federal Deposit In-
10 surance Act;

11 “(B) chapter 2 of title I of Public Law 91–
12 508; and

13 “(C) subchapter II of chapter 53 of title
14 31, United States Code;

15 “(2) G-SIB.—The term ‘G-SIB’ means a global
16 systemically important bank holding company, as
17 such term is defined under section 217.402 of title
18 12, Code of Federal Regulations.

19 “(3) PRUDENTIAL REGULATORS.—The term
20 ‘prudential regulators’ means the Vice Chairman for
21 Supervision of the Board of Governors, the Comp-
22 troller of the Currency, the Chairperson of the Cor-
23 poration, and the Chairman of the National Credit
24 Union Administration Board.”.

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

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

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

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