

115TH CONGRESS
1ST SESSION

H. R. 4296

To place requirements on operational risk capital requirements for banking organizations established by an appropriate Federal banking agency.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 2017

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

A BILL

To place requirements on operational risk capital requirements for banking organizations established by an appropriate Federal banking agency.

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. OPERATIONAL RISK CAPITAL REQUIREMENTS**
4 **FOR BANKING ORGANIZATIONS.**

5 (a) IN GENERAL.—An appropriate Federal banking
6 agency may not establish an operational risk capital re-
7 quirement for banking organizations, unless such require-
8 ment—

1 (1) is based primarily on the risks posed by a
2 banking organization’s current activities and busi-
3 nesses;

4 (2) is appropriately sensitive to the risks posed
5 by such current activities and businesses;

6 (3) is determined under a forward-looking as-
7 sessment of potential losses that may arise out of a
8 banking organization’s current activities, businesses,
9 and exposures, which is not solely based on a bank-
10 ing organization’s historical losses; and

11 (4) permits adjustments based on qualifying
12 operational risk mitigants.

13 (b) DEFINITIONS.—For purposes of this section:

14 (1) APPROPRIATE FEDERAL BANKING AGEN-
15 CY.—The term “appropriate Federal banking agen-
16 cy”—

17 (A) has the meaning given such term
18 under section 3 of the Federal Deposit Insur-
19 ance Act; and

20 (B) means the National Credit Union Ad-
21 ministration, in the case of an insured credit
22 union.

23 (2) BANKING ORGANIZATION.—The term
24 “banking organization” means—

1 (A) an insured depository institution (as
2 defined under section 3 of the Federal Deposit
3 Insurance Act);

4 (B) an insured credit union (as defined
5 under section 101 of the Federal Credit Union
6 Act);

7 (C) a depository institution holding com-
8 pany (as defined under section 3 of the Federal
9 Deposit Insurance Act);

10 (D) a company that is treated as a bank
11 holding company for purposes of section 8 of
12 the International Banking Act; and

13 (E) a U.S. intermediate holding company
14 established by a foreign banking organization
15 pursuant to section 252.153 of title 12, Code of
16 Federal Regulations.

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