

[DISCUSSION DRAFT]

116TH CONGRESS
1ST SESSION

H. R. _____

To amend the Financial Stability Act of 2010 to require G-SIBs to maintain an enhanced supplementary leverage ratio, to require stress tests of G-SIBs to include the testing of leverage ratios, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Financial Stability Act of 2010 to require G-SIBs to maintain an enhanced supplementary leverage ratio, to require stress tests of G-SIBs to include the testing of leverage ratios, 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 “Reregulating
5 Megabanks Act of 2019”.

1 **SEC. 2. G-SIB ENHANCED SUPPLEMENTARY LEVERAGE RA-**
2 **TIOS.**

3 (a) IN GENERAL.—Section 165 of the Financial Sta-
4 bility Act of 2010 (12 U.S.C. 5365) is amended by adding
5 at the end the following:

6 “(1) G-SIB ENHANCED SUPPLEMENTARY LEVERAGE
7 RATIOS.—

8 “(1) RATIO REQUIREMENT.—

9 “(A) G-SIBS.—Each G-SIB shall maintain
10 an enhanced supplementary leverage ratio of 5
11 percent.

12 “(B) SUBSIDIARIES.—Each depository in-
13 stitution subsidiary of a G-SIB shall maintain
14 an enhanced supplementary leverage ratio of 6
15 percent.

16 “(2) DEFINITIONS.—In this subsection, the
17 term ‘G-SIB’ means a bank holding company that—

18 “(A) has total consolidated assets of
19 \$700,000,000,000 or more; or

20 “(B) has total consolidated assets under
21 custody of \$10,000,000,000,000 or more.”.

22 (b) EFFECTIVE DATE.—Section 165(l) the Financial
23 Stability Act of 2010, as added by subsection (a) shall
24 take effect on January 1, 2021.

1 **SEC. 3. INCLUSION OF LEVERAGE RATIO TESTING IN**
2 **STRESS TESTS.**

3 Section 165(i) the Financial Stability Act of 2010
4 (12 U.S.C. 5365(i)) is amended by adding at the end the
5 following:

6 “(3) INCLUSION OF LEVERAGE RATIO TESTING
7 FOR G-SIBS.—

8 “(A) IN GENERAL.—Testing of applicable
9 leverage ratios, including enhanced supple-
10 mentary leverage ratios, shall be included in
11 each—

12 “(i) analysis carried out by the Board
13 of Governors pursuant to paragraph (1) of
14 a G-SIB or a subsidiary of a G-SIB;

15 “(ii) analysis and review (including
16 for purposes of making capital distribution
17 decisions) carried out by the Board of Gov-
18 ernors under CCAR of a G-SIB or a sub-
19 sidiary of a G-SIB; and

20 “(iii) stress test carried out by a com-
21 pany pursuant to paragraph (2) that is a
22 G-SIB or a subsidiary of a G-SIB.

23 “(B) DEFINITIONS.—In this paragraph:

24 “(i) CCAR.—The term ‘CCAR’ means
25 the Comprehensive Capital Analysis and

1 Review established by the Board of Gov-
2 ernors.

3 “(ii) G-SIB.—The term ‘G-SIB’ has
4 the meaning given that term under sub-
5 section (1)(2).”.

6 **SEC. 4. ANNUAL REPORT ON COUNTERCYCLICAL CAPITAL**
7 **BUFFER.**

8 (a) REPORT.—The Board of Governors of the Fed-
9 eral Reserve System shall issue an annual report to the
10 Congress that contains—

11 (1) an analysis of current capital requirements
12 and economic trends; and

13 (2) a description of why the Board of Governors
14 chose to activate or not activate the countercyclical
15 capital buffer (“CCyB”) for G-SIBs based on that
16 analysis.

17 (b) G-SIB DEFINED.—In this section, the term “G-
18 SIB” has the meaning given that term under section
19 165(1)(2) of the Financial Stability Act of 2010.

20 **SEC. 5. REPORTS ON THE REGULATION OF G-SIBS.**

21 (a) REPORTS.—The Board of Governors of the Fed-
22 eral Reserve System, the Comptroller of the Currency, and
23 the Federal Deposit Insurance Corporation shall, not later
24 than the end of the 1-year period beginning on the date

1 of enactment of this Act and every 5 years thereafter, each
2 issue a report to the Congress—

3 (1) analyzing options for more stringent capital,
4 liquidity, and leverage requirements for G-SIBs and
5 related benefits; and

6 (2) that includes regulatory and legislative rec-
7 ommendations.

8 (b) G-SIB DEFINED.—In this section, the term “G-
9 SIB” has the meaning given that term under section
10 165(l)(2) of the Financial Stability Act of 2010.