[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”.

Be it enacted by the Senate and House of Representa-
atives of the United States of America in Congress assembled,
SEC. 2. G-SIB ENHANCED SUPPLEMENTARY LEVERAGE RATIOS.

(a) In General.—Section 165 of the Financial Stability Act of 2010 (12 U.S.C. 5365) is amended by adding at the end the following:

“(l) G-SIB ENHANCED SUPPLEMENTARY LEVERAGE RATIOS.—

“(1) Ratio Requirement.—

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

“(B) Subsidiaries.—Each depository institution subsidiary of a G-SIB shall maintain an enhanced supplementary leverage ratio of 6 percent.

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

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

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

(b) Effective Date.—Section 165(l) the Financial Stability Act of 2010, as added by subsection (a) shall take effect on January 1, 2021.
SEC. 3. INCLUSION OF LEVERAGE RATIO TESTING IN STRESS TESTS.

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

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

“(A) IN GENERAL.—Testing of applicable leverage ratios, including enhanced supplementary leverage ratios, shall be included in each—

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

“(ii) analysis and review (including for purposes of making capital distribution decisions) carried out by the Board of Governors under CCAR of a G-SIB or a subsidiary of a G-SIB; and

“(iii) stress test carried out by a company pursuant to paragraph (2) that is a G-SIB or a subsidiary of a G-SIB.

“(B) DEFINITIONS.—In this paragraph:

“(i) CCAR.—The term ‘CCAR’ means the Comprehensive Capital Analysis and
Review established by the Board of Governors.

“(ii) G-SIB.—The term ‘G-SIB’ has the meaning given that term under subsection (l)(2).”.

SEC. 4. ANNUAL REPORT ON COUNTERCYCLICAL CAPITAL BUFFER.

(a) REPORT.—The Board of Governors of the Federal Reserve System shall issue an annual report to the Congress that contains—

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

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

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

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

(a) REPORTS.—The Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation shall, not later than the end of the 1-year period beginning on the date
of enactment of this Act and every 5 years thereafter, each
issue a report to the Congress—

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

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

(b) G-SIB Defined.—In this section, the term “G-
SIB” has the meaning given that term under section