

116TH CONGRESS  
1ST SESSION

# H. R. 5318

To amend certain banking laws to establish requirements for bank mergers,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 5, 2019

Mr. GARCÍA of Illinois (for himself, Ms. SCHAKOWSKY, Ms. TLAIB, and Ms. NORTON) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend certain banking laws to establish requirements  
for bank mergers, 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Bank Merger Review Modernization Act of 2019”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for  
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Compliance with Federal consumer financial laws.
- Sec. 3. Cost-benefit analysis for merger transactions.
- Sec. 4. Community Reinvestment Act performance.
- Sec. 5. Financial stability considerations for merger transactions.
- Sec. 6. Financial criteria for certain merger transactions.

Sec. 7. Managerial criteria for certain merger transactions.

Sec. 8. Competitive effects.

Sec. 9. Transparency in merger review.

Sec. 10. Financial stability exception.

Sec. 11. Citizen standing.

1 **SEC. 2. COMPLIANCE WITH FEDERAL CONSUMER FINAN-**  
2 **CIAL LAWS.**

3 (a) APPLICATION FOR MERGERS OR ACQUISI-  
4 TIONS.—

5 (1) IN GENERAL.—Not later than 180 days  
6 after the date of the enactment of this Act, the Di-  
7 rector of the Bureau of Consumer Financial Protec-  
8 tion shall establish procedures for a covered appli-  
9 cant to submit an application to directly or indirectly  
10 merge with, or directly or indirectly acquire, a per-  
11 son that offers or provides consumer financial prod-  
12 ucts or services (as defined in section 1002 of the  
13 Consumer Financial Protection Act of 2010 (12  
14 U.S.C. 5481(14))).

15 (2) PUBLIC COMMENT.—The Director shall  
16 allow a period of at least 30 days for public com-  
17 ment on applications submitted under paragraph  
18 (1).

19 (b) PROHIBITION.—It shall be unlawful for a covered  
20 applicant to directly or indirectly merge with, or directly  
21 or indirectly acquire, a person that offers or provides con-  
22 sumer financial products or services (as defined in section  
23 1002 of the Consumer Financial Protection Act of 2010

1 (12 U.S.C. 5481(14))) without the prior written approval  
2 of the Director.

3 (c) CONSIDERATIONS.—In considering an application  
4 under subsection (a), the Director shall—

5 (1) consider the records of the covered appli-  
6 cant and the person with respect to compliance with  
7 the Federal consumer financial laws; and

8 (2) deny such application if the resulting insti-  
9 tution would not have adequate systems in place to  
10 ensure compliance with the Federal consumer finan-  
11 cial laws.

12 (d) COVERED APPLICANT DEFINED.—In this section,  
13 the term “covered applicant” means an insured depository  
14 institution (as defined in section 3 of the Federal Deposit  
15 Insurance Act (12 U.S.C. 1813)) or a depository institu-  
16 tion holding company (as defined in such section) with  
17 more than \$10,000,000,000 in total assets.

18 **SEC. 3. COST-BENEFIT ANALYSIS FOR MERGER TRANS-**  
19 **ACTIONS.**

20 (a) INSURED DEPOSITORY INSTITUTIONS.—Section  
21 18(c) of the Federal Deposit Insurance Act (12 U.S.C.  
22 1828(c)) is amended by adding at the end the following  
23 new paragraph:

24 “(14) ANALYSIS OF COSTS AND BENEFITS.—

1           “(A) IN GENERAL.—The responsible agen-  
2           cy shall not approve any proposed merger  
3           transaction under this subsection unless the re-  
4           sponsible agency determines that the public  
5           benefits of the merger transaction outweigh the  
6           expected costs.

7           “(B) EVALUATION.—In evaluating the ex-  
8           pected costs of the proposed merger transaction  
9           under subparagraph (A), the responsible agency  
10          shall consider—

11                 “(i) the probable effect of the pro-  
12                 posed merger transaction on the cost and  
13                 availability of financial products and serv-  
14                 ices;

15                 “(ii) the probable effect of branch clo-  
16                 sures on customers of each bank or savings  
17                 association involved in the proposed merger  
18                 transaction;

19                 “(iii) the probable effect of the pro-  
20                 posed merger transaction on relevant local  
21                 economies, including employment losses re-  
22                 lating to branch closures and impacts on  
23                 job quality; and

24                 “(iv) any other cost of the proposed  
25                 merger transaction that the responsible

1           agency considers pursuant to this sub-  
2           section.”.

3           (b) BANK HOLDING COMPANIES.—

4           (1) PROPOSED ACQUISITIONS, MERGERS, OR  
5           CONSOLIDATIONS.—Section 3(e) of the Bank Hold-  
6           ing Company Act of 1956 (12 U.S.C. 1842(e)) is  
7           amended by adding at the end the following new  
8           paragraph:

9           “(8) ANALYSIS OF COSTS AND BENEFITS.—

10           “(A) IN GENERAL.—The Board may not  
11           approve an application under this section unless  
12           the Board determines that the public benefits of  
13           the proposed transaction outweigh the expected  
14           costs.

15           “(B) EVALUATION.—In evaluating the ex-  
16           pected costs of the proposed transaction under  
17           subparagraph (A), the Board shall consider—

18           “(i) the probable effect of the pro-  
19           posed transaction on the cost and avail-  
20           ability of financial products and services;

21           “(ii) the probable effect of branch clo-  
22           sures on customers of each company in-  
23           volved in the proposed transaction;

24           “(iii) the probable effect of the pro-  
25           posed transaction on relevant local econo-

1           mies, including employment losses relating  
2           to branch closures and impacts on job  
3           quality; and

4           “(iv) any other cost of the proposed  
5           transaction that the Board considers pur-  
6           suant to this subsection.”.

7           (2) OTHER TRANSACTIONS OR ACTIVITIES.—

8           Section 4(j)(2) of the Bank Holding Company Act  
9           of 1956 (12 U.S.C. 1843(j)(2)) is amended by add-  
10          ing at the end the following new subparagraph:

11           “(D) ANALYSIS OF COSTS AND BENE-  
12          FITS.—

13           “(i) IN GENERAL.—The Board shall  
14           deny a notice filed pursuant to this sub-  
15           section unless the Board determines that  
16           the public benefits of the proposed trans-  
17           action or activity described in the notice  
18           outweigh the expected costs.

19           “(ii) EVALUATION.—In evaluating the  
20           expected costs of the proposed transaction  
21           under subparagraph (A), the Board shall  
22           consider—

23           “(I) the probable effect of the  
24           proposed transaction or activity on

1 the cost and availability of financial  
2 products and services;

3 “(II) the probable effect of  
4 branch closures on customers of each  
5 company involved in the proposed  
6 transaction or activity;

7 “(III) the probable effect of the  
8 proposed transaction or activity on  
9 relevant local economies, including  
10 employment losses relating to branch  
11 closures and impacts on job quality;  
12 and

13 “(IV) any other cost of the pro-  
14 posed transaction or activity that the  
15 Board considers pursuant to this  
16 paragraph.”.

17 **SEC. 4. COMMUNITY REINVESTMENT ACT PERFORMANCE.**

18 (a) INSURED DEPOSITORY INSTITUTIONS.—Section  
19 18(c) of the Federal Deposit Insurance Act (12 U.S.C.  
20 1828(c)), as amended by section 3, is further amended  
21 by adding at the end the following new paragraphs:

22 “(15) COMMUNITY REINVESTMENT ACT PER-  
23 FORMANCE.—The responsible agency shall not ap-  
24 prove a proposed merger transaction under this sec-  
25 tion if the largest insured depository institution that

1 is party to such transaction, based on a comparison  
2 of the average total risk-weighted assets controlled  
3 by each insured depository institution that is party  
4 to such transaction during the previous 12-month  
5 period, has received a rating lower than ‘outstanding  
6 record of meeting community credit needs’ on—

7 “(A) two out of the three most recent writ-  
8 ten evaluations required under section 807 of  
9 the Community Reinvestment Act of 1977 (12  
10 U.S.C. 2906); or

11 “(B) if three such evaluations are not  
12 available, the most recent written evaluation re-  
13 quired under such section.

14 “(16) COMMUNITY BENEFITS PLAN.—

15 “(A) IN GENERAL.—In reviewing any ap-  
16 plication filed under this paragraph, the respon-  
17 sible agency shall require—

18 “(i) submission to the appropriate  
19 Federal financial supervisory agency of a  
20 community benefits plan;

21 “(ii) that the insured depository insti-  
22 tution consult with community-based orga-  
23 nizations and other community stake-  
24 holders in developing the community bene-  
25 fits plan; and



1           “(iii) a public hearing to be held if  
2           any insured depository institution involved  
3           in the transaction has received a ‘substan-  
4           tial noncompliance in meeting community  
5           credit needs’ or ‘needs to improve record of  
6           meeting community credit needs’ rating in  
7           any assessment area during the last exam-  
8           ination of such institution conducted pur-  
9           suant to the Community Reinvestment Act  
10          of 1977.

11          “(B) DEFINITION.—For purposes of this  
12          paragraph, ‘community benefits plan’ means a  
13          plan that provides measurable goals for future  
14          amounts of safe and sound loans, investments,  
15          services, and other financial products for low-  
16          and moderate-income communities and other  
17          distressed or underserved communities.”.

18          (b) BANK HOLDING COMPANIES.—

19                 (1) PROPOSED ACQUISITIONS, MERGERS, OR  
20                 CONSOLIDATIONS.—Section 3(e) of the Bank Hold-  
21                 ing Company Act of 1956 (12 U.S.C. 1842(e)), as  
22                 amended by section 3, is further amended by adding  
23                 at the end the following new paragraphs:

24                         “(9) COMMUNITY REINVESTMENT ACT PER-  
25                         FORMANCE.—The Board shall deny an application

1 under this section if either the lead insured deposi-  
2 tory institution of the applicant or the insured de-  
3 pository institution that would be the lead insured  
4 depository institution of the resulting company fol-  
5 lowing consummation of the proposed transaction  
6 has received a rating lower than ‘outstanding record  
7 of meeting community credit needs’ on—

8 “(A) two out of the three most recent writ-  
9 ten evaluations required under section 807 of  
10 the Community Reinvestment Act of 1977 (12  
11 U.S.C. 2906); or

12 “(B) if three such evaluations are not  
13 available, the most recent written evaluation re-  
14 quired under such section.

15 “(10) COMMUNITY BENEFITS PLAN.—

16 “(A) IN GENERAL.—In reviewing any ap-  
17 plication filed under this paragraph, the Board  
18 shall require—

19 “(i) submission to the appropriate  
20 Federal financial supervisory agency of a  
21 community benefits plan;

22 “(ii) that the company consult with  
23 community-based organizations and other  
24 community stakeholders in developing the  
25 community benefits plan; and

1           “(iii) a public hearing to be held if  
2           any bank that would be controlled by the  
3           resulting company has received a ‘substan-  
4           tial noncompliance in meeting community  
5           credit needs’ or ‘needs to improve record of  
6           meeting community credit needs’ rating in  
7           any assessment area during the last exam-  
8           ination of such institution conducted pur-  
9           suant to the Community Reinvestment Act  
10          of 1977.

11          “(B) DEFINITION.—For purposes of this  
12          paragraph, ‘community benefits plan’ means a  
13          plan that provides measurable goals for future  
14          amounts of safe and sound loans, investments,  
15          services, and other financial products for low-  
16          and moderate-income communities and other  
17          distressed or underserved communities.”.

18          (2) OTHER TRANSACTIONS OR ACTIVITIES.—  
19          Section 4(j)(2) of the Bank Holding Company Act  
20          of 1956 (12 U.S.C. 1843(j)(2)), as amended by sec-  
21          tion 3, is further amended by adding at the end the  
22          following new subparagraphs:

23          “(E) COMMUNITY REINVESTMENT ACT  
24          PERFORMANCE.—The Board shall deny a notice  
25          filed pursuant to this subsection if the lead in-

1           sured depository institution of the applicant or  
2           the insured depository institution that would be  
3           the lead insured depository institution of the re-  
4           sulting company following consummation of the  
5           proposed transaction or activity has received a  
6           rating lower than ‘outstanding record of meet-  
7           ing community credit needs’ on—

8                   “(i) two out of the three most recent  
9                   written evaluations required under section  
10                  807 of the Community Reinvestment Act  
11                  of 1977 (12 U.S.C. 2906); or

12                  “(ii) if three such evaluations are not  
13                  available, the most recent written evalua-  
14                  tion required under such section.

15           “(F) COMMUNITY BENEFITS PLAN.—

16                   “(i) IN GENERAL.—In reviewing any  
17                  notice filed under this paragraph, the  
18                  Board shall require—

19                           “(I) submission to the appro-  
20                           priate Federal financial supervisory  
21                           agency of a community benefits plan;

22                           “(II) that the company consult  
23                           with community-based organizations  
24                           and other community stakeholders in

1 developing the community benefits  
2 plan; and

3 “(III) a public hearing to be held  
4 if any bank that would be controlled  
5 by the resulting company has received  
6 a ‘substantial noncompliance in meet-  
7 ing community credit needs’ or ‘needs  
8 to improve record of meeting commu-  
9 nity credit needs’ rating in any assess-  
10 ment area during the last examination  
11 of such institution conducted pursuant  
12 to the Community Reinvestment Act  
13 of 1977.

14 “(ii) DEFINITION.—For purposes of  
15 this paragraph, ‘community benefits plan’  
16 means a plan that provides measurable  
17 goals for future amounts of safe and sound  
18 loans, investments, services, and other fi-  
19 nancial products for low- and moderate-in-  
20 come communities and other distressed or  
21 underserved communities.”.

22 (c) COMMUNITY REINVESTMENT ACT AMEND-  
23 MENT.—Section 804 of the Community Reinvestment Act  
24 of 1977 (12 U.S.C. 2903) is amended by adding at the  
25 end the following new subsection:

1       “(e) COMMUNITY BENEFITS PLAN.—In assessing  
2 and taking into account, under subsection (a), the record  
3 of a financial institution, the appropriate Federal financial  
4 supervisory agency shall consider as a factor the financial  
5 institution’s record of compliance with any community  
6 benefits plan pursuant to section 3(c)(10) or 4(j)(2)(F)  
7 of the Bank Holding Company Act of 1956 or section  
8 18(c)(16) of the Federal Deposit Insurance Act, as appli-  
9 cable.”.

10       (d) FAIR LENDING ASSESSMENT.—Section 807(b)(1)  
11 of the Community Reinvestment Act of 1977 (12 U.S.C.  
12 2906(b)(1)) is amended—

13               (1) in subparagraph (A)—

14                       (A) in clause (ii), by striking “and” at the  
15 end;

16                       (B) by redesignating clause (iii) as clause  
17 (iv); and

18                       (C) by inserting after clause (ii) the fol-  
19 lowing new clause:

20                               “(iii) contain statistical analyses of the in-  
21 stitution’s fair lending performance using data  
22 reported under the Home Mortgage Disclosure  
23 Act; and”; and

1           (2) in subparagraph (B), by striking “clauses  
2           (i) and (ii)” and inserting “clauses (i), (ii), and  
3           (iii)”.

4 **SEC. 5. FINANCIAL STABILITY CONSIDERATIONS FOR**  
5 **MERGER TRANSACTIONS.**

6           (a) **INSURED DEPOSITORY INSTITUTIONS.**—Section  
7 18(c) of the Federal Deposit Insurance Act (12 U.S.C.  
8 1828(c)), as amended by section 4, is further amended—

9           (1) in paragraph (5)—

10           (A) in subparagraph (A), by striking “or”  
11           at the end;

12           (B) in subparagraph (B), by striking the  
13           period at the end and inserting “, or”; and

14           (C) by inserting after subparagraph (B)  
15           the following new subparagraph:

16           “(C) any proposed merger transaction for which  
17           the resulting insured depository institution would re-  
18           ceive a score greater than 25 on the assessment de-  
19           scribed in paragraph (17)(B).”; and

20           (2) by adding at the end the following new  
21           paragraph:

22           “(17) **FINANCIAL STABILITY.**—In considering  
23           the risk to the stability of the United States banking  
24           or financial system under paragraph (5), the respon-  
25           sible agency shall—

1 “(A) take into account—

2 “(i) the insured depository institutions  
3 or bank holding companies that might ac-  
4 quire the applicant insured depository in-  
5 stitution if the resulting insured depository  
6 institution were to fail after consummation  
7 of the proposed merger; and

8 “(ii) whether such an acquisition  
9 would result in greater or more con-  
10 centrated risks to the stability of the  
11 United States banking or financial system;  
12 and

13 “(B) use the assessment methodology de-  
14 veloped by the Basel Committee on Banking  
15 Supervision for assessing global systemically  
16 important banks.”.

17 (b) BANK HOLDING COMPANIES.—

18 (1) PROPOSED ACQUISITIONS, MERGERS, OR  
19 CONSOLIDATIONS.—Section 3(c)(7) of the Bank  
20 Holding Company Act of 1956 (12 U.S.C.  
21 1842(c)(7)), as amended by section 4, is further  
22 amended—

23 (A) by striking “In every case,” and in-  
24 serting the following:

25 “(A) IN GENERAL.—In every case,”; and



1 (B) by adding at the end the following new  
2 subparagraphs:

3 “(B) CONSIDERATIONS.—The Board shall  
4 not approve an application under this section  
5 for which the resulting company would receive  
6 a score greater than 25 on the assessment de-  
7 scribed in subparagraph (C)(ii).

8 “(C) FINANCIAL STABILITY.—In consid-  
9 ering the risk to the stability of the United  
10 States banking or financial system, the Board  
11 shall—

12 “(i) take into account—

13 “(I) the insured depository insti-  
14 tutions or bank holding companies  
15 that might acquire the resulting com-  
16 pany if it were to fail after con-  
17 summation of the proposed trans-  
18 action; and

19 “(II) whether such an acquisition  
20 would result in greater or more con-  
21 centrated risks to the stability of the  
22 United States banking or financial  
23 system; and

24 “(ii) use the assessment methodology  
25 developed by the Basel Committee on

1 Banking Supervision for assessing global  
2 systemically important banks.”.

3 (2) PROPOSED TRANSACTIONS OR ACTIVITIES.—Section 4(j)(2) of the Bank Holding Com-  
4 pany Act of 1956 (12 U.S.C. 1843(j)(2)), as amend-  
5 ed by section 4, is further amended by adding at the  
6 end the following new subparagraphs:  
7

8 “(G) CONSIDERATIONS.—The Board shall  
9 deny a notice filed pursuant to this subsection  
10 if the resulting company would receive a score  
11 greater than 25 on the assessment described in  
12 subparagraph (H)(ii).

13 “(H) ASSESSMENT OF FINANCIAL STA-  
14 BILITY.—In considering the risk to the stability  
15 of the United States banking or financial sys-  
16 tem, the Board shall—

17 “(i) take into account—

18 “(I) the insured depository insti-  
19 tutions or bank holding companies  
20 that might acquire the applicant bank  
21 holding company if the resulting com-  
22 pany were to fail after consummation  
23 of the proposed proposal; and

24 “(II) whether such an acquisition  
25 would result in greater or more con-

1                   centrated risks to the stability of the  
2                   United States banking or financial  
3                   system; and

4                   “(ii) use the assessment methodology  
5                   developed by the Basel Committee on  
6                   Banking Supervision for assessing global  
7                   systemically important banks.”.

8 **SEC. 6. FINANCIAL CRITERIA FOR CERTAIN MERGER**  
9 **TRANSACTIONS.**

10       (a) STRESS TESTS.—

11               (1) PROPOSED ACQUISITIONS, MERGERS, OR  
12       CONSOLIDATIONS.—Section 3(c) of the Bank Hold-  
13       ing Company Act of 1956 (12 U.S.C. 1842(c)), as  
14       amended by section 5, is further amended by adding  
15       at the end the following new paragraphs:

16               “(11) STRESS TESTS.—

17                   “(A) IN GENERAL.—If a resulting com-  
18       pany will have total consolidated assets greater  
19       than or equal to \$100,000,000,000, the Board  
20       shall evaluate the pro forma balance sheet of  
21       the resulting company to assess whether such  
22       resulting company would have the capital, on a  
23       total consolidated basis, necessary to absorb  
24       losses as a result of adverse economic condi-  
25       tions.

1           “(B) CONSIDERATIONS.—The Board shall  
2           not approve an application under this section  
3           unless the resulting company would remain at  
4           least adequately capitalized in severely adverse  
5           economic conditions under the evaluation de-  
6           scribed in subparagraph (A).”.

7           (2) PROPOSED TRANSACTIONS OR ACTIVI-  
8           TIES.—Section 4(j)(2) of the Bank Holding Com-  
9           pany Act of 1956 (12 U.S.C. 1843(j)(2)), as amend-  
10          ed by section 5, is further amended by adding at the  
11          end the following new subparagraph:

12           “(I) STRESS TESTS.—

13           “(i) IN GENERAL.—If a resulting  
14           company will have total consolidated assets  
15           greater than or equal to  
16           \$100,000,000,000, the Board shall evalu-  
17           ate the pro forma balance sheet of the re-  
18           sulting company to determine whether  
19           such resulting company would have the  
20           capital, on a total consolidated basis, nec-  
21           essary to absorb losses as a result of ad-  
22           verse economic conditions.

23           “(ii) CONSIDERATIONS.—The Board  
24           shall deny a notice submitted pursuant to  
25           this subsection if the resulting company

1           would not remain at least adequately cap-  
2           italized in severely adverse economic condi-  
3           tions under the evaluation described in  
4           clause (i).”.

5           (b) WELL CAPITALIZED THRESHOLDS.—

6           (1) DEFINITION OF WELL CAPITALIZED FOR  
7           INTERSTATE BANK MERGERS.—Section 44(g) of the  
8           Federal Deposit Insurance Act (12 U.S.C.  
9           1831u(g)) is amended by adding at the end the fol-  
10          lowing new paragraph:

11           “(12) WELL CAPITALIZED.—The term ‘well  
12          capitalized’ means, with respect to an insured depos-  
13          itory institution with total consolidated assets of  
14          \$10,000,000,000 or more, that such institution ex-  
15          ceeds the required minimum level for each relevant  
16          capital measure to be considered adequately capital-  
17          ized (as determined under section 38) by at least 50  
18          percent of such minimum.”.

19          (2) BANK HOLDING COMPANIES.—Section  
20          2(o)(B)(ii) of the Bank Holding Company Act of  
21          1956 (12 U.S.C. 1841(o)(B)(ii)) is amended to read  
22          as follows:

23                   “(ii) WELL CAPITALIZED.—A bank  
24                   holding company is ‘well capitalized’ if—

1           “(I) with respect to a company  
2           that has total consolidated assets of  
3           \$10,000,000,000 or more, it exceeds  
4           the required minimum level for each  
5           relevant capital measure (as deter-  
6           mined by the Board) by at least 50  
7           percent of such minimum; and

8           “(II) with respect to a company  
9           that has total consolidated assets of  
10          less than \$10,000,000,000, it meets  
11          the required capital levels for well  
12          capitalized bank holding companies  
13          established by the Board.”.

14 **SEC. 7. MANAGERIAL CRITERIA FOR CERTAIN MERGER**  
15 **TRANSACTIONS.**

16          (a) **INSURED DEPOSITORY INSTITUTIONS.**—Section  
17 18(c) of the Federal Deposit Insurance Act (12 U.S.C.  
18 1828(c)), as amended by section 5, is further amended  
19 by adding at the end the following new paragraph:

20           “(18) **COVERED TRANSACTIONS.**—

21           “(A) **DEFINITION.**—In this paragraph, the  
22           term ‘covered transaction’ means a merger  
23           transaction in which the resulting company  
24           would have more than \$100,000,000,000 in  
25           total assets.

1           “(B) APPLICATION.—An application for  
2 approval of a covered transaction shall include  
3 the name of each individual who will serve on  
4 the board of directors or serve as a senior execu-  
5 tive officer of the resulting company.

6           “(C) WRITTEN EVALUATION.—The respon-  
7 sible agency shall make a written evaluation of  
8 the competence, experience, character, and in-  
9 tegrity of each individual described in subpara-  
10 graph (B).

11           “(D) BEST INTERESTS.—The responsible  
12 agency shall not approve a covered transaction  
13 if the responsible agency determines that the  
14 competence, experience, character, or integrity  
15 of any individual described in subparagraph (B)  
16 indicates that it would not be in the best inter-  
17 ests of the depositors of the depository institu-  
18 tion or in the best interests of the public to per-  
19 mit the individual to be employed by, or associ-  
20 ated with, the resulting company.

21           “(E) PUBLICLY AVAILABLE.—The respon-  
22 sible agency shall make any written evaluation  
23 described in subparagraph (C) publicly available  
24 after the date on which the responsible agency  
25 approves or denies a covered transaction.”.

1 (b) BANK HOLDING COMPANIES.—

2 (1) ACQUISITION OF BANK SHARES OR AS-  
3 SETS.—Section 3(c) of the Bank Holding Company  
4 Act of 1956 (12 U.S.C. 1842(c)), as amended by  
5 section 6, is further amended by adding at the end  
6 the following new paragraph:

7 “(12) COVERED TRANSACTIONS.—

8 “(A) DEFINITION.—In this paragraph, the  
9 term ‘covered transaction’ means a merger  
10 transaction in which the resulting company  
11 would have more than \$100,000,000,000 in  
12 total assets.

13 “(B) LISTING OF MEMBERS OF THE  
14 BOARD OF DIRECTORS AND SENIOR EXECUTIVE  
15 OFFICERS.—

16 “(i) IN GENERAL.—An application for  
17 approval of a covered transaction shall in-  
18 clude the name of each individual who will  
19 serve on the board of directors or serve as  
20 a senior executive officer of the resulting  
21 company.

22 “(ii) WRITTEN EVALUATION.—The  
23 Board shall make a written evaluation of  
24 the competence, experience, character, and



1 integrity of each individual described in  
2 clause (i).

3 “(iii) BEST INTERESTS.—The Board  
4 shall not approve a covered transaction if  
5 the Board determines that the competence,  
6 experience, character, or integrity of any  
7 individual described in clause (i) indicates  
8 that it would not be in the best interests  
9 of the shareholders of the bank holding  
10 company or in the best interests of the  
11 public to permit the individual to be em-  
12 ployed by, or associated with, the resulting  
13 company.

14 “(iv) PUBLICLY AVAILABLE.—The  
15 Board shall make any written evaluation  
16 described in clause (ii) publicly available  
17 after the date on which the Board ap-  
18 proves or denies a covered transaction.”.

19 (2) INTERESTS IN NONBANKING ORGANIZA-  
20 TIONS.—Section 4(j)(2) of the Bank Holding Com-  
21 pany Act of 1956 (12 U.S.C. 1843(j)(2)) as amend-  
22 ed by section 6, is further amended by adding at the  
23 end the following new subparagraph:

24 “(J) COVERED TRANSACTIONS.—

1           “(i) DEFINITION.—In this paragraph,  
2           the term ‘covered transaction’ means a  
3           merger transaction in which the resulting  
4           company would have more than  
5           \$100,000,000,000 in total assets.

6           “(ii) LISTING OF MEMBERS OF THE  
7           BOARD OF DIRECTORS AND SENIOR EXEC-  
8           UTIVE OFFICERS.—

9           “(I) IN GENERAL.—An applica-  
10          tion for approval of a covered trans-  
11          action shall include the name of each  
12          individual who will serve on the board  
13          of directors or serve as a senior execu-  
14          tive officer of the resulting company.

15          “(II) WRITTEN EVALUATION.—  
16          The Board shall make a written eval-  
17          uation of the competence, experience,  
18          character, and integrity of each indi-  
19          vidual described in subclause (I).

20          “(III) BEST INTERESTS.—The  
21          Board shall not approve a covered  
22          transaction if the Board determines  
23          that the competence, experience, char-  
24          acter, or integrity of any individual  
25          described in subclause (I) indicates

1 that it would not be in the best inter-  
2 ests of the shareholders of the bank  
3 holding company or in the best inter-  
4 ests of the public to permit the indi-  
5 vidual to be employed by, or associ-  
6 ated with, the resulting company.

7 “(IV) PUBLICLY AVAILABLE.—  
8 The Board shall make any written  
9 evaluation described in subclause (II)  
10 publicly available after the date on  
11 which the Board approves or denies a  
12 covered transaction.”.

13 **SEC. 8. COMPETITIVE EFFECTS.**

14 (a) INSURED DEPOSITORY INSTITUTIONS.—Section  
15 18(c) of the Federal Deposit Insurance Act (12 U.S.C.  
16 1828(c)), as amended by section 7, is further amended  
17 by adding at the end the following new paragraph:

18 “(19) COMPETITIVE EFFECTS.—

19 “(A) PRODUCT MARKETS.—In every case,  
20 the responsible agency shall consider the com-  
21 petitive effects of the proposed transaction on  
22 the market for—

23 “(i) commercial deposits;

24 “(ii) loans to small businesses, using  
25 data reported under the Community Rein-

1 vestment Act of 1977 for loans to small  
2 businesses with less than \$1,000,000 in  
3 gross annual revenue, and any other data  
4 the responsible agency deems appropriate  
5 to collect for this purpose;

6 “(iii) home mortgage loans, using  
7 data reported under the Home Mortgage  
8 Disclosure Act of 1975 for first-lien mort-  
9 gage loans for single family homes, and  
10 any other data the responsible agency  
11 deems appropriate to collect for this pur-  
12 pose; and

13 “(iv) any other financial product that  
14 comprises a substantial portion of the ac-  
15 tivities of each bank or savings association  
16 involved in the proposed merger trans-  
17 action, as determined by the responsible  
18 agency.

19 “(B) GEOGRAPHIC MARKETS.—The re-  
20 sponsible agency shall consider the competitive  
21 effects of the proposed transaction on the prod-  
22 uct markets identified in subparagraph (A) with  
23 respect to each of the following geographic mar-  
24 kets as defined by the United States Census  
25 Bureau:

1                   “(i) Each State in which the resulting  
2                   company would operate.

3                   “(ii) Each core-based statistical area  
4                   in which the resulting company would op-  
5                   erate.

6                   “(iii) Each county in which the result-  
7                   ing company would operate.

8                   “(iv) Any other geographic area the  
9                   responsible agency deems appropriate.”.

10                  (b) BANK HOLDING COMPANIES.—

11                   (1) PROPOSED ACQUISITIONS, MERGERS, OR  
12                   CONSOLIDATIONS.—Section 3(c) of the Bank Hold-  
13                   ing Company Act of 1956 (12 U.S.C. 1842(c)), as  
14                   amended by section 7, is further amended by adding  
15                   at the end the following new paragraph:

16                   “(13) COMPETITIVE EFFECTS.—

17                   “(A) PRODUCT MARKETS.—In every case,  
18                   the Board shall consider the competitive effects  
19                   of the proposed transaction on the market for—

20                   “(i) commercial deposits;

21                   “(ii) loans to small businesses, using  
22                   data reported under the Community Rein-  
23                   vestment Act of 1977 for loans to small  
24                   businesses with less than \$1,000,000 in  
25                   gross annual revenue, and any other data

1 the Board deems appropriate to collect for  
2 this purpose;

3 “(iii) home mortgage loans, using  
4 data reported under the Home Mortgage  
5 Disclosure Act of 1975 for first-lien mort-  
6 gage loans for single family homes, and  
7 any other data the Board deems appro-  
8 priate to collect for this purpose; and

9 “(iv) any other financial product that  
10 comprises a substantial portion of the ac-  
11 tivities of each company involved in the  
12 proposed merger transaction, as deter-  
13 mined by the Board.

14 “(B) GEOGRAPHIC MARKETS.—The Board  
15 shall consider the competitive effects of the pro-  
16 posed transaction on the product markets iden-  
17 tified in subparagraph (A) with respect to each  
18 of the following geographic markets:

19 “(i) Each State in which the resulting  
20 company would operate.

21 “(ii) Each core-based statistical area  
22 in which the resulting company would op-  
23 erate.

24 “(iii) Each county in which the result-  
25 ing company would operate.

1                   “(iv) Any other geographic area the  
2                   Board deems appropriate.”.

3                   (2) PROPOSED TRANSACTIONS OR ACTIVI-  
4                   TIES.—Section 4(j)(2) of the Bank Holding Com-  
5                   pany Act of 1956 (12 U.S.C. 1843(j)(2)) as amend-  
6                   ed by section 7, is further amended by adding at the  
7                   end the following new subparagraph:

8                   “(K) COMPETITIVE EFFECTS.—

9                   “(i) PRODUCT MARKETS.—In every  
10                  case, the Board shall consider the competi-  
11                  tive effects of the proposed transaction on  
12                  the market for—

13                  “(I) commercial deposits;

14                  “(II) loans to small businesses,  
15                  using data reported under the Com-  
16                  munity Reinvestment Act of 1977 for  
17                  loans to small businesses with less  
18                  than \$1,000,000 in gross annual rev-  
19                  enue, and any other data the Board  
20                  deems appropriate to collect for this  
21                  purpose;

22                  “(III) home mortgage loans,  
23                  using data reported under the Home  
24                  Mortgage Disclosure Act of 1975 for  
25                  first-lien mortgage loans for single

1 family homes, and any other data the  
2 Board deems appropriate to collect for  
3 this purpose; and

4 “(IV) any other financial product  
5 that comprises a substantial portion  
6 of the activities of each company in-  
7 volved in the proposed merger trans-  
8 action, as determined by the Board.

9 “(ii) GEOGRAPHIC MARKETS.—The  
10 Board shall consider the competitive ef-  
11 fects of the proposed transaction on the  
12 product markets identified in clause (i)  
13 with respect to each of the following geo-  
14 graphic markets:

15 “(I) Each State in which the re-  
16 sulting company would operate.

17 “(II) Each core-based statistical  
18 area in which the resulting company  
19 would operate.

20 “(III) Each county in which the  
21 resulting company would operate.

22 “(IV) Any other geographic area  
23 the Board deems appropriate.”.



1 **SEC. 9. TRANSPARENCY IN MERGER REVIEW.**

2 (a) INSURED DEPOSITORY INSTITUTIONS.—Section  
3 18(c) of the Federal Deposit Insurance Act (12 U.S.C.  
4 1828(c)), as amended by section 8, is further amended  
5 by adding at the end the following new paragraph:

6 “(20) TRANSPARENCY.—

7 “(A) IN GENERAL.—In any application  
8 under this section—

9 “(i) an insured depository institution  
10 shall—

11 “(I) disclose whether any persons  
12 employed by, representing, or acting  
13 on behalf of the depository institution  
14 have had verbal or written commu-  
15 nications with the responsible agency,  
16 a Federal reserve bank, or any other  
17 Federal regulatory agency regarding  
18 the proposed merger transaction; and

19 “(II) identify the dates and the  
20 names of individuals involved in, and  
21 the content of, all communications in  
22 described in subclause (I); and

23 “(ii) the chief executive officer and  
24 chief legal officer of an insured depository  
25 institution shall certify that no persons em-  
26 ployed by, representing, or acting on behalf

1 of the depository institution asked for or  
2 received assurances from the responsible  
3 agency, a Federal reserve bank, or any  
4 other Federal regulatory agency that the  
5 proposed merger transaction would be ap-  
6 proved of that there would be no barriers  
7 to such approval.

8 “(B) UPDATES.—An insured depository in-  
9 stitution shall update the disclosure and certifi-  
10 cation described in subparagraph (A) as needed  
11 within 2 business days of any communication  
12 that occurs before the responsible agency makes  
13 a final decision on a proposed merger trans-  
14 action.

15 “(C) PUBLICATION.—The responsible  
16 agency shall publish on the website of such  
17 agency the disclosure, certification, and any up-  
18 dates required under this paragraph within 1  
19 business day of receipt.”.

20 (b) BANK HOLDING COMPANIES.—

21 (1) PROPOSED ACQUISITIONS, MERGERS, OR  
22 CONSOLIDATIONS.—Section 3(e) of the Bank Hold-  
23 ing Company Act of 1956 (12 U.S.C. 1842(c)), as  
24 amended by section 8, is further amended by adding  
25 at the end the following new paragraph:

1 “(14) TRANSPARENCY.—

2 “(A) IN GENERAL.—In any application  
3 under this section—

4 “(i) a bank holding company shall—

5 “(I) disclose whether any persons  
6 employed by, representing, or acting  
7 on behalf of the bank holding com-  
8 pany have had verbal or written com-  
9 munications with the Board, a Fed-  
10 eral reserve bank, or any other Fed-  
11 eral regulatory agency regarding the  
12 proposal; and

13 “(II) identify the dates and the  
14 names of individuals involved in, and  
15 the content of, all communications in  
16 described in subclause (I); and

17 “(ii) the chief executive officer and  
18 chief legal officer of a bank holding com-  
19 pany shall certify that no persons em-  
20 ployed by, representing, or acting on behalf  
21 of the bank holding company asked for or  
22 received assurances from the Board, a  
23 Federal reserve bank, or any other Federal  
24 regulatory agency that the proposal would

1           be approved of and that there would be no  
2           barriers to such approval.

3           “(B) UPDATES.—A bank holding company  
4           shall update the disclosure and certification de-  
5           scribed in subparagraph (A) as needed within 2  
6           business days of any communication that occurs  
7           before the Board makes a final decision on a  
8           proposal.

9           “(C) PUBLICATION.—The Board shall pub-  
10          lish on the website of the Board the disclosure,  
11          certification, and any updates required under  
12          this paragraph within 1 business day of re-  
13          ceipt.”.

14          (2) PROPOSED TRANSACTIONS OR ACTIVI-  
15          TIES.—Section 4(j) of the Bank Holding Company  
16          Act of 1956 (12 U.S.C. 1843(j)) as amended by sec-  
17          tion 8, is further amended is amended by adding at  
18          the end the following new paragraph:

19                 “(8) TRANSPARENCY.—

20                         “(A) IN GENERAL.—In any notice under  
21                         this section—

22                                 “(i) a bank holding company shall—

23   “(I) disclose whether any persons  
24   employed by, representing, or acting  
25   on behalf of the bank holding com-

1           pany have had verbal or written com-  
2           munications with the Board, a Fed-  
3           eral reserve bank, or any other Fed-  
4           eral regulatory agency regarding the  
5           proposal; and

6                   “(II) identify the dates and the  
7           names of individuals involved in, and  
8           the content of, all communications in  
9           described in subclause (I); and

10                   “(ii) the chief executive officer and  
11           chief legal officer of a bank holding com-  
12           pany shall certify that no persons em-  
13           ployed by, representing, or acting on behalf  
14           of the bank holding company asked for or  
15           received assurances from the Board, a  
16           Federal reserve bank, or any other Federal  
17           regulatory agency that the proposal would  
18           be approved of and that there would be no  
19           barriers to such approval.

20                   “(B) UPDATES.—A bank holding company  
21           shall update the disclosure and certification de-  
22           scribed in subparagraph (A) as needed within 2  
23           business days of any communication that occurs  
24           before the Board makes a final decision on a  
25           proposal.

1           “(C) PUBLICATION.—The Board shall pub-  
2           lish on the website of the Board the disclosure,  
3           certification, and any updates required under  
4           this paragraph within 1 business day of re-  
5           ceipt.”.

6 **SEC. 10. FINANCIAL STABILITY EXCEPTION.**

7           (a) INSURED DEPOSITORY INSTITUTIONS.—Section  
8           18(c) of the Federal Deposit Insurance Act (12 U.S.C.  
9           1828(c)), as amended by section 9, is further amended  
10          by adding at the end the following new paragraph:

11           “(21) FSOC DETERMINATION.—Notwith-  
12          standing paragraphs (5)(c), (14), (15), (16), (17),  
13          and (18) of this subsection, if the Financial Stability  
14          Oversight Council determines by a  $\frac{2}{3}$  vote that a  
15          proposed merger transaction under this subsection is  
16          necessary to preserve the stability of the United  
17          States banking or financial system, the responsible  
18          agency may approve such transaction.”.

19          (b) BANK HOLDING COMPANIES.—

20           (1) PROPOSED ACQUISITIONS, MERGERS, OR  
21          CONSOLIDATIONS.—Section 3(c) of the Bank Hold-  
22          ing Company Act of 1956 (12 U.S.C. 1842(c)), as  
23          amended by section 9, is further amended by adding  
24          at the end the following new paragraph:

1           “(15) FSOC DETERMINATION.—Notwith-  
2 standing paragraphs (7)(B), (8), (9), (10), (11), and  
3 (12) of this subsection, if the Financial Stability  
4 Oversight Council determines by a  $\frac{2}{3}$  vote that a  
5 proposed acquisition, merger, or consolidation under  
6 this subsection is necessary to preserve the stability  
7 of the United States banking or financial system,  
8 the Board may approve such acquisition, merger, or  
9 consolidation.”.

10           (2) PROPOSED TRANSACTIONS OR ACTIVI-  
11 TIES.—Section 4(j)(2) of the Bank Holding Com-  
12 pany Act of 1956 (12 U.S.C. 1843(j)(2)), as amend-  
13 ed by section 8, is amended by adding at the end the  
14 following new subparagraph:

15           “(L) FSOC DETERMINATION.—Notwith-  
16 standing paragraphs (2)(D), (2)(E), (2)(F),  
17 (2)(G), (2)(I), and (2)(J) of this subsection, if  
18 the Financial Stability Oversight Council deter-  
19 mines by a  $\frac{2}{3}$  vote that a proposed transaction  
20 or activity under this subsection is necessary to  
21 preserve the stability of the United States  
22 banking or financial system, the Board may ap-  
23 prove such transaction or activity.”.

1 **SEC. 11. CITIZEN STANDING.**

2 (a) **INSURED DEPOSITORY INSTITUTIONS.**—Section  
3 18(c) of the Federal Deposit Insurance Act (12 U.S.C.  
4 1828(c)), as amended by section 10, is further amended  
5 by adding at the end the following new paragraph:

6 “(22) **CITIZEN STANDING.**—

7 “(A) **IN GENERAL.**—Not later than 10  
8 days after the approval of a merger transaction  
9 by the responsible agency under this subsection  
10 or the denial of a request for reconsideration of  
11 an application for a merger transaction, an in-  
12 dividual may file a civil action in the appro-  
13 priate United States district court to review  
14 such approval, regardless of whether the indi-  
15 vidual submitted a comment or otherwise par-  
16 ticipated in the application process for approval  
17 of the merger transaction.

18 “(B) **CONSIDERATION.**—In any such ac-  
19 tion, the court shall review de novo the issues  
20 presented, consider the matter on an expedited  
21 basis, and issue a decision within 30 days.

22 “(C) **COSTS.**—An individual who files a  
23 civil action under this paragraph may not be re-  
24 quired to pay the costs of the responsible agen-  
25 cy or any party to the merger transaction that  
26 is the subject of the civil action.



1           “(D) EFFECT ON MERGER TRANS-  
2 ACTION.—The proposed merger transaction  
3 that is the subject of a civil action under this  
4 paragraph may not be consummated until the  
5 court issues a final decision in such action.”.

6 (b) BANK HOLDING COMPANIES.—

7           (1) PROPOSED ACQUISITIONS, MERGERS, OR  
8 CONSOLIDATIONS.—Section 3(e) of the Bank Hold-  
9 ing Company Act of 1956 (12 U.S.C. 1842(e)), as  
10 amended by section 10, is further amended by add-  
11 ing at the end the following new paragraph:

12           “(16) CITIZEN STANDING.—

13           “(A) IN GENERAL.—Not later than 10  
14 days after the approval of an application under  
15 this section by the Board, or the denial of a re-  
16 quest for reconsideration of such an application  
17 by the Board, an individual may file a civil ac-  
18 tion in the appropriate United States district  
19 court to review such approval, regardless of  
20 whether the individual submitted a comment or  
21 otherwise participated in the application proc-  
22 ess.

23           “(B) CONSIDERATION.—In any such ac-  
24 tion, the court shall review de novo the issues

1 presented, consider the matter on an expedited  
2 basis, and issue a decision within 30 days.

3 “(C) COSTS.—An individual who files a  
4 civil action under this paragraph may not be re-  
5 quired to pay the costs of the Board or any  
6 party to the application that is the subject of  
7 the civil action.

8 “(D) EFFECT ON APPLICATION.—The pro-  
9 posed acquisition, merger, or consolidation that  
10 is the subject of a civil action under this para-  
11 graph may not be consummated until the court  
12 issues a final decision in such action.”.

13 (2) OTHER TRANSACTIONS OR ACTIVITIES.—  
14 Section 4(j)(2) of the Bank Holding Company Act  
15 of 1956 (12 U.S.C. 1843(j)(2)), as amended by sec-  
16 tion 10, is further amended by adding at the end the  
17 following new subparagraph:

18 “(M) CITIZEN STANDING.—

19 “(i) IN GENERAL.—Not later than 10  
20 days after the approval of a notice under  
21 this subsection by the Board, or the denial  
22 of a request for reconsideration of such no-  
23 tice by the Board, an individual may file a  
24 civil action in the appropriate United  
25 States district court to review such ap-

1 proval, regardless of whether the individual  
2 submitted a comment or otherwise partici-  
3 pated in the notice process.

4 “(ii) CONSIDERATION.—In any such  
5 action, the court shall review de novo the  
6 issues presented, consider the matter on an  
7 expedited basis, and issue a decision within  
8 30 days.

9 “(iii) COSTS.—An individual who files  
10 a civil action under this subparagraph may  
11 not be required to pay the costs of the  
12 Board or any party to the notice that is  
13 the subject of the civil action.

14 “(iv) EFFECT ON NOTICE.—The pro-  
15 posed transaction or activity that is the  
16 subject of a civil action under this sub-  
17 paragraph may not be commenced or con-  
18 summated until the court issues a final de-  
19 cision in such action.”.

○