

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4206
OFFERED BY MR. SHERMAN OF CALIFORNIA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Bank Safety Act of
3 2024”.

**4 SEC. 2. CAPITAL REQUIREMENTS RELATING TO ACCUMU-
5 LATED OTHER COMPREHENSIVE INCOME.**

6 (a) IN GENERAL.—Section 171 of the Financial Sta-
7 bility Act of 2010 (12 U.S.C. 5371) is amended by adding
8 at the end the following new subsection:

9 “(d) INCLUSION OF ELEMENTS OF ACCUMULATED
10 OTHER COMPREHENSIVE INCOME.—

11 “(1) IN GENERAL.—The computation of capital
12 for purposes of meeting capital requirements for a
13 covered financial institution shall include AOCI.

14 “(2) DEFINITIONS.—In this subsection:

15 “(A) AOCI.—The term ‘AOCI’ means—

16 “(i) all accumulated other comprehen-
17 sive income components, except for accu-
18 mulated net gains and losses on cash flow

1 hedges related to items that are not recog-
2 nized at fair value; or

3 “(ii) such other definition as the Fed-
4 eral banking agencies may establish, by
5 rule.

6 “(B) COVERED FINANCIAL INSTITUTION.—
7 The term ‘covered financial institution’
8 means—

9 “(i) a depository institution holding
10 company (as defined in section 3 of the
11 Federal Deposit Insurance Act) with total
12 consolidated assets greater than
13 \$100,000,000,000;

14 “(ii) an insured depository institution
15 over which a bank holding company does
16 not have control with total consolidated as-
17 sets greater than \$100,000,000,000; or

18 “(iii) any other depository institution
19 holding company or insured depository in-
20 stitution, as determined by the appropriate
21 Federal banking agencies.”.

22 (b) TRANSITION PROVISION.—

23 (1) IN GENERAL.—The Federal banking agen-
24 cies shall, jointly, establish a transition period for
25 the application of the requirement under subsection

1 (d) of section 171 of the Financial Stability Act of
2 2010 to a covered financial institution (including an
3 opt out institution) that—

4 (A) phases in such requirement over time;

5 and

6 (B) fully applies such requirement to cov-
7 ered financial institutions on or before July 1,
8 2028.

9 (2) DEFINITIONS.—In this subsection:

10 (A) COVERED FINANCIAL INSTITUTION.—

11 The term “covered financial institution” has
12 the meaning given that term under section
13 171(d) of the Financial Stability Act of 2010.

14 (B) FEDERAL BANKING AGENCY.—The
15 term “Federal banking agency” has the mean-
16 ing given that term under section 3 of the Fed-
17 eral Deposit Insurance Act (12 U.S.C. 1813).

18 (C) OPT OUT INSTITUTION.—The term
19 “opt out institution” means a covered financial
20 institution that elected to opt out of the re-
21 quirement to report accumulated other com-
22 prehensive income components pursuant to the
23 rule titled “Changes to Applicability Thresholds
24 for Regulatory Capital and Liquidity Require-

1 ments'' (84 Fed. Reg. 59230; November 1,
2 2019).

