

118TH CONGRESS  
1ST SESSION

# H. R. 4116

To amend the Federal Deposit Insurance Act to require reports on the use of the systemic risk authority applicable to winding up a failed insured depository institution, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 14, 2023

Mr. GREEN of Texas (for himself, Mr. SHERMAN, and Mrs. BEATTY) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To amend the Federal Deposit Insurance Act to require reports on the use of the systemic risk authority applicable to winding up a failed insured depository institution, 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 “Systemic Risk Author-  
5       ity Transparency Act”.

1 **SEC. 2. SYSTEMIC RISK PROVISIONS.**

2 (a) GAO REVIEW.—Section 13(c)(4)(G)(iv) of the  
3 Federal Deposit Insurance Act (12 U.S.C.  
4 1823(c)(4)(G)(iv)) is amended to read as follows:

5 “(iv) GAO REVIEW.—The Comptroller  
6 General of the United States shall, not  
7 later than later than 60 days after a deter-  
8 mination is made under clause (i), and  
9 again 180 days thereafter, review and re-  
10 port to the Congress on the determination  
11 under clause (i), including—

12 “(I) the basis for the determina-  
13 tion;

14 “(II) the purpose for which any  
15 action was taken pursuant to such  
16 clause;

17 “(III) the likely effect of the de-  
18 termination and such action on the in-  
19 centives and conduct of insured depos-  
20 itory institutions and uninsured de-  
21 positors;

22 “(IV) any mismanagement by the  
23 executives and board of the insured  
24 depository institution that contributed  
25 to the failure of the insured deposi-  
26 tory institution;

1           “(V) a review of the compensa-  
2           tion practices of the insured deposi-  
3           tory institution;

4           “(VI) any supervisory or regu-  
5           latory shortcomings with respect to  
6           the primary Federal banking regu-  
7           lators of the insured depository insti-  
8           tution;

9           “(VII) any actions taken by the  
10          Federal banking regulators, Financial  
11          Stability Oversight Council, Treasury  
12          Department, and other relevant finan-  
13          cial regulators in relation to the  
14          bank’s failure; and

15          “(VIII) any additional relevant  
16          entities or activities that may have  
17          contributed to the failure of the in-  
18          sured depository institution, including  
19          with respect to auditing, accounting,  
20          credit rating agencies, investment  
21          bank underwriters, and emergency li-  
22          quidity options such as loans from the  
23          Federal Reserve or advances through  
24          the Federal Home Loan Bank sys-  
25          tem.”.

1 (b) PRIMARY FEDERAL REGULATOR REPORT.—Sec-  
2 tion 13(c) of the Federal Deposit Insurance Act (12  
3 U.S.C. 1823(c)) is amended by adding at the end the fol-  
4 lowing:

5 “(12) PRIMARY FEDERAL REGULATOR RE-  
6 PORT.—The primary Federal regulator of an insured  
7 depository institution about which a determination is  
8 made under clause (i) shall, not later than 60 days  
9 after the date of such determination, and again 180  
10 days thereafter, submit a report to the Congress  
11 that—

12 “(A) discloses all confidential supervisory  
13 information held by such primary Federal regu-  
14 lator that relates to the failed insured deposi-  
15 tory institution;

16 “(B) examines any mismanagement by the  
17 executives and board of the insured depository  
18 institution that contributed to the failure of the  
19 insured depository institution;

20 “(C) discloses any supervisory or regu-  
21 latory shortcomings by such primary Federal  
22 regulator with respect to the insured depository  
23 institution;

24 “(D) describes any dynamics that the pri-  
25 mary Federal regulator determines may have

1           contributed to the failure of the insured deposi-  
2           tory institution; and

3           “(E) includes any supervisory, regulatory,  
4           and legislative recommendations such primary  
5           Federal regulator may have to improve the  
6           safety and soundness of similarly situated in-  
7           sured depository institutions, the banking sys-  
8           tem, and financial stability.”.

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