

MEMORANDUM

To: Members of the Committee on Financial Services

From: Financial Services Republican Staff

Date: May 10, 2024

Re: May 15, 2024, Full Committee Hearing: “Oversight of Prudential Regulators.”

On Wednesday, May 15, 2024, at 10:00 a.m. in Room 2128 of the Rayburn House Office Building, the Committee on Financial Services will hold a hearing titled “Oversight of Prudential Regulators.” Testifying at the hearing will be:

- **The Honorable Michael Barr**, Vice Chairman for Supervision, Board of Governors of the Federal Reserve System
- **The Honorable Martin Gruenberg**, Chairman, Federal Deposit Insurance Corporation
- **The Honorable Michael Hsu**, Acting Comptroller, Office of the Comptroller of the Currency

Background: Section 1108 of the *Dodd-Frank Wall Street Reform and Consumer Protection (Dodd-Frank) Act* created the position of Vice Chairman for Supervision for the Federal Reserve Board (Federal Reserve) and requires the Vice Chairman to testify before the Committee at semi-annual hearings.¹ The Federal Reserve Supervision and Regulation Report summarizes banking conditions and the Federal Reserve’s supervisory and regulatory activities, and is issued in conjunction with the Vice Chairman’s semiannual testimony before Congress.² The Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the National Credit Union Administration (NCUA) do not have similar statutory testimony requirements but have been invited as well. This hearing will examine supervisory and regulatory developments, rulemakings, and activities the agencies, with focus on those undertaken in the period since the last hearing on November 15, 2023.³

Notices of proposed rulemakings, final rules issued, and regulatory actions since last hearing include:

¹ See 12 USC 242 and 12 USC 247b.

² Federal Reserve, “Supervision and Regulation Report – May 2023,” <https://www.federalreserve.gov/publications/supervision-and-regulation-report.htm>.

³ House Financial Services Committee, “Hearing Entitled: Oversight of Prudential Regulators” (November 15, 2023), [Hearing Entitled: Oversight of Prudential Regulators | Financial Services Committee \(house.gov\)](#).

Interagency:

- [Agencies Issue Proposal on Incentive-Based Compensation](#)
- [Agencies extend applicability date of certain provisions of their Community Reinvestment Act final rule](#)
- [Agencies take temporary action on appraisal requirements in area affected by Hawaii wildfires](#)
- [Agencies issue 2023 Shared National Credit Program Report](#)
- [Federal bank regulatory agencies seek comment on interagency effort to reduce regulatory burden](#)
- [Agencies extend resolution plan submission deadline for some large financial institutions](#)
- [Agencies extend comment period on proposed rule to require large banks to maintain long-term debt](#)

Federal Reserve System:

- [Federal Reserve Board announces it will extend through May 31, 2024, the public comment period for the application by Capital One Financial Corporation to acquire Discover Financial Services](#)
- [Capital One files application with FRB](#)
- [Federal Reserve Board Announces final rule that updates risk management requirements for certain systemically important financial market utilities \(FMUs\) supervised by the Board](#)
- [Federal Reserve Board releases the hypothetical scenarios for its annual stress test](#)
- [Federal Reserve Board announces the Bank Term Funding Program \(BTFP\) will cease making new loans as scheduled on March 11](#)
- [Federal Reserve Board announces it will extend the comment period on its interchange fee proposal until May 12, 2024 and published additional related data](#)

Federal Deposit Insurance Corporation:

- [Proposed Statement of Policy on Bank Merger Transactions](#)
- [FDIC Releases Economic Scenarios for 2024 Stress Testing](#)
- [Final Rule on FDIC Official Signs and Advertising Requirements, False Advertising, Misrepresentation of Insured Status, and Misuse of the FDIC's Name or Logo](#)
- [Final Rule on the Special Assessment Pursuant to Systemic Risk Determination](#)

Office of the Comptroller of the Currency:

- [OCC Extends Comment Period on Application by Capital One to Acquire Discover Bank](#)
- [Capital One files application with OCC](#)
- [OCC Releases Dodd-Frank Act Stress Test Scenarios for 2024](#)
- [OCC Requests Comments on Proposed Rulemaking and Policy Statement on Bank Mergers](#)
- [OCC Issues Guidance on 'Buy Now, Pay Later' Lending](#)

National Credit Union Administration:

- [NCUA Board Approves Advance Notice of Proposed Rulemaking on Records Retention](#)
- [NCUA Board Approves Updates to MDI Preservation Program](#)
- [NCUA Board Approves Charitable Donation Accounts Final Rule](#)

Legislation Attached

1. H.R. 8287, “Stress Testing Accountability and Transparency Act” (Barr)

The Stress Testing Accountability and Transparency Act would require the Board of Governors of the Federal Reserve System to subject the stress capital buffer calculations and stress testing scenarios to public rulemaking.

2. H.R. 8264, “Bank Supervision Appeals Improvement Act” (Barr)

The Bank Supervision Appeals Improvement Act would amend the Federal Deposit Insurance Act and the Federal Credit Union Act to improve the timeliness of examination reports and other guidance and to establish panels to oversee appeals from insured depository institutions and insured credit unions of material supervisory determinations.

3. H.R. 8288, “Bringing the Discount Window into the 21st Century Act” (Barr)

The Bringing the Discount Window into the 21st Century Act would require the Federal Reserve to review its discount window operations, to seek public comment on discount window operations, and to develop and implement a plan to address any identified deficiencies.

4. H.R. 4346, “Small Bank Holding Company Relief Act” (Mooney)

The Small Bank Holding Company Relief Act would require the Federal Reserve Board to raise the consolidated asset threshold under which a specified policy statement applies to small bank holding companies. The policy statement allows small bank holding companies to operate with higher debt levels than would be allowed for larger bank holding companies.