

**SUBSTITUTE AMENDMENT TO THE AMENDMENT IN  
THE NATURE OF A SUBSTITUTE TO H.R. 8337  
OFFERED BY MS. WATERS OF CALIFORNIA**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. TABLE OF CONTENTS; RULE OF APPLICATION.**

**2 (a) TABLE OF CONTENTS.**—The table of contents for  
**3 this Act is as follows:**

Sec. 1. Table of contents; rule of application.

**DIVISION A—FAILED BANK EXECUTIVES ACCOUNTABILITY AND  
CONSEQUENCES**

Sec. 1. Short title.

Sec. 2. Sense of Congress.

Sec. 3. Clawback authority.

Sec. 4. Removal and prohibition authority in the case of institution failure.

Sec. 5. Fines for failed bank executives.

Sec. 6. Rule of construction.

**DIVISION B—INCENTIVIZING SAFE AND SOUND BANKING**

Sec. 1. Short title.

Sec. 2. Stock sale prohibition.

**DIVISION C—CLOSING THE ENHANCED PRUDENTIAL STANDARDS  
LOOPHOLE**

Sec. 1. Short title.

Sec. 2. Enhanced supervision and prudential standards for banks with no bank holding company.

**DIVISION D—EFFECTIVE BANK REGULATION**

Sec. 1. Short title.

Sec. 2. Stress test scenario.

**DIVISION E—BANK SAFETY**

Sec. 1. Short title.

Sec. 2. Capital requirements relating to accumulated other comprehensive income.

DIVISION F—FAILING BANK ACQUISITION FAIRNESS

- Sec. 1. Short title.
- Sec. 2. Concentration limit exceptions only available when no other qualifying bids.

DIVISION G—SYSTEMIC RISK AUTHORITY TRANSPARENCY

- Sec. 1. Short title.
- Sec. 2. Bank failure transparency related to systemic risk exception.

DIVISION H—SHIELDING COMMUNITY BANKS FROM SYSTEMIC RISK ASSESSMENTS

- Sec. 1. Short title.
- Sec. 2. Special assessment exemptions and considerations.

DIVISION I—CHIEF RISK OFFICER ENFORCEMENT AND ACCOUNTABILITY

- Sec. 1. Short title.
- Sec. 2. Chief risk officer.

DIVISION J—FOSTERING ACCOUNTABILITY IN REMUNERATION FUND

- Sec. 1. Short title.
- Sec. 2. Findings.
- Sec. 3. Deferment of senior employee compensation.

DIVISION K—STOPPING BONUSES FOR UNSAFE AND UNSOUND BANKING

- Sec. 1. Short title.
- Sec. 2. Freeze on discretionary bonus payments by large banking institutions in certain circumstances.

DIVISION L—SUPERVISORY ESCALATION PLAN

- Sec. 1. Strategic plan.
- Sec. 2. Large banking organization defined.

DIVISION M—ENHANCED COMMUNITY INPUT ON LARGE BANK MERGER REVIEWS

- Sec. 1. Short title.
- Sec. 2. Enhanced public engagement for bank mergers.
- Sec. 3. Database of pending mergers.
- Sec. 4. Definitions.

DIVISION N—CENTRAL LIQUIDITY FACILITY ENHANCEMENT

- Sec. 1. Short title.
- Sec. 2. Permanent extension of enhancements.

1 (b) RULE OF APPLICATION.—In this Act—

1 (1) any reference in a provision to “this Act”  
2 shall be deemed a reference to the division con-  
3 taining such provision; and

4 (2) any cross-reference in a provision to another  
5 section of this Act shall be deemed a reference to  
6 that section of the division containing the provision.

7 **DIVISION A—FAILED BANK EX-**  
8 **ECUTIVES ACCOUNTABILITY**  
9 **AND CONSEQUENCES**

10 **SECTION 1. SHORT TITLE.**

11 This Act may be cited as the “Failed Bank Execu-  
12 tives Accountability and Consequences Act”.

13 **SEC. 2. SENSE OF CONGRESS.**

14 It is the sense of the Congress that—

15 (1) financial regulators and law enforcement  
16 agencies should fully exercise the maximum extent of  
17 their authorities to investigate and use available en-  
18 forcement tools to hold executive officers and board  
19 members at Silicon Valley Bank, Signature Bank,  
20 First Republic Bank, and any other bank that fails  
21 fully accountable for any misconduct in which they  
22 are found to have engaged; and

23 (2) the Board of Governors of the Federal Re-  
24 serve System, the Office of the Comptroller of the  
25 Currency, the Board of Directors of the Federal De-

1       posit Insurance Corporation, the National Credit  
2       Union Administration Board, the Securities and Ex-  
3       change Commission, the Federal Housing Finance  
4       Agency should jointly finalize the regulations or  
5       guidelines required under section 956 of the “Inves-  
6       tor Protection and Securities Reform Act of 2010”,  
7       and those regulations or guidelines should include  
8       robust clawback requirements.

9       **SEC. 3. CLAWBACK AUTHORITY.**

10       (a) IN GENERAL.—Section 8 of the Federal Deposit  
11       Insurance Act (12 U.S.C. 1818) is amended by adding at  
12       the end the following:

13       “(x) RECOUPMENT OF COMPENSATION FROM EXEC-  
14       UTIVE OFFICERS AND DIRECTORS.—

15       “(1) IN GENERAL.—During any period in which  
16       the Corporation is acting as conservator or receiver  
17       for an insured depository institution, the Corpora-  
18       tion may recover, from any current or former execu-  
19       tive officer or director of such insured depository in-  
20       stitution whose negligence caused financial loss to  
21       such insured depository institution, any compensa-  
22       tion received during the 2-year period preceding the  
23       date on which the Corporation was appointed as the  
24       conservator or receiver of the insured depository in-

1       stitution, except that, in the case of fraud, no time  
2       limit shall apply.

3               “(2) RULEMAKING.—The Corporation shall pro-  
4       mulgate regulations to implement the requirements  
5       of this subsection, including defining the term ‘com-  
6       pensation’ to mean any financial remuneration, in-  
7       cluding salary, bonuses, incentives, benefits, sever-  
8       ance, deferred compensation, or golden parachute  
9       benefits, and any profits realized from the sale of  
10      the securities of the insured depository institution  
11      (or the securities of an affiliate of the insured de-  
12      pository institution).”.

13      (b) CLAWBACK AUTHORITY RELATING TO ORDERLY  
14      LIQUIDATION AUTHORITY.—Section 210(s)(1) of the  
15      Dodd-Frank Wall Street Reform and Consumer Protec-  
16      tion Act is amended as follows:

17              “(1) IN GENERAL.—The Corporation, as re-  
18      ceiver of a covered financial company, may recover  
19      from any current or former executive officer or di-  
20      rector whose negligence caused financial loss to the  
21      covered financial company any compensation re-  
22      ceived during the 2-year period preceding the date  
23      on which the Corporation was appointed as the re-  
24      ceiver of the covered financial company, except that,  
25      in the case of fraud, no time limit shall apply.”.

1 **SEC. 4. REMOVAL AND PROHIBITION AUTHORITY IN THE**  
2 **CASE OF INSTITUTION FAILURE.**

3 (a) IN GENERAL.—Section 8(e) of the Federal De-  
4 posit Insurance Act (12 U.S.C. 1818(e)) is amended—

5 (1) by redesignating paragraphs (3), (4), (5),  
6 (6), and (7) as paragraphs (4), (5), (6), (7), and  
7 (8), respectively; and

8 (2) by inserting after paragraph (2) the fol-  
9 lowing:

10 “(3) SUSPENSION, REMOVAL, AND PROHIBITION  
11 FROM PARTICIPATION ORDERS IN THE CASE OF IN-  
12 STITUTION FAILURE.—Whenever the appropriate  
13 Federal banking agency determines that an institu-  
14 tion-affiliated party has negligently caused financial  
15 loss to any insured depository institution that has  
16 failed, the appropriate Federal banking agency for  
17 the depository institution may serve upon such party  
18 a written notice of the agency’s intention to prohibit  
19 any further participation by such party, in any man-  
20 ner, in the conduct of the affairs of any insured de-  
21 pository institution.”.

22 (b) CONFORMING AMENDMENT.—The Federal De-  
23 posit Insurance Act (12 U.S.C. 1811 et seq.) is amend-  
24 ed—

25 (1) in section 8—

26 (A) in subsection (e)—

1 (i) in paragraph (3), by striking  
2 “under paragraph (1) or (2)” each place it  
3 occurs and inserting “under paragraphs  
4 (1), (2), or (3)”; and

5 (ii) in paragraph (7), as so redesign-  
6 nated, by striking “paragraph (7)(A)” and  
7 inserting “paragraph (8)(A)”;

8 (B) in subsection (f), by striking “sub-  
9 section (e)(3)” and inserting “subsection  
10 (e)(4)”;

11 (C) in subsection (g)(1)(D)(ii), by striking  
12 “paragraph (1), (2), or (3) of subsection (e)”  
13 and inserting “paragraph (1), (2), or (4) of  
14 subsection (e)”;

15 (D) in subsection (j), by striking “sub-  
16 section (e)(6)” and inserting “subsection  
17 (e)(7)”;

18 (2) in section 10(k)(6)—

19 (A) in subparagraph (A)(i), by striking  
20 “section 8(e)(4) for written notices or orders  
21 under paragraph (1) or (2) of section 8(e)” and  
22 inserting “section 8(e)(5) for written notices or  
23 orders under paragraph (1), (2), or (3) of sec-  
24 tion 8(e)”;

1 (B) in subparagraph (B), by striking  
2 “paragraphs (6) and (7) of section 8(e)” and  
3 inserting “paragraphs (7) and (8) of section  
4 8(e)”.

5 **SEC. 5. FINES FOR FAILED BANK EXECUTIVES.**

6 (a) IN GENERAL.—Section 8(i)(2) of the Federal De-  
7 posit Insurance Act (12 U.S.C. 1818(i)(2)) is amended  
8 by—

9 (1) redesignating subparagraphs (D), (E), (F),  
10 (G), (H), (I), (J), and (K) as paragraphs (E), (F),  
11 (G), (H), (I), (J), (K), and (L), respectively; and:

12 (2) by inserting after subparagraph (C), the fol-  
13 lowing:

14 “(D) FINES FOR CONTRIBUTING TO INSTI-  
15 TUTION FAILURE.—

16 “(i) FIRST TIER.—Notwithstanding  
17 subparagraphs (A), (B), and (C), any exec-  
18 utive officer or director who has neg-  
19 ligently caused financial loss to any in-  
20 sured depository institution that has failed  
21 shall forfeit and pay a civil penalty of not  
22 more than \$25,000 for each day during  
23 which such conduct occurred.

24 “(ii) SECOND TIER.—Notwithstanding  
25 subparagraphs (A), (B), and (C), any exec-



1           utive officer or director who knowingly or  
2           recklessly caused financial loss to any in-  
3           sured depository institution that has failed  
4           shall forfeit and pay a civil penalty in an  
5           amount not to exceed the applicable max-  
6           imum amount determined under subpara-  
7           graph (E) for each day during which such  
8           conduct occurred.”.

9           (b) CONFORMING AMENDMENTS.—Section 8(i)(2) of  
10          the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(2)),  
11          as amended by subsection (a) is further amended—

12                 (1) in subparagraph (E), by striking “to sub-  
13                 paragraph (C)” and inserting “to subparagraph (C)  
14                 or (D)”;

15                 (2) in subparagraph (F)—

16                         (A) by striking “under subparagraph (A),  
17                         (B), or (C)” and inserting “under subpara-  
18                         graph (A), (B), (C), or (D)”;

19                         (B) by striking “subparagraph (H)” and  
20                         inserting “subparagraph (I)”;

21                 (3) in subparagraph (G), by striking “under  
22                 subparagraph (A), (B), or (C)” and inserting “under  
23                 subparagraph (A), (B), (C), or (D)”;

1 (4) in subparagraph (H), by striking “under  
2 subparagraph (A), (B), or (C)” and inserting “under  
3 subparagraph (A), (B), (C), or (D)”.

4 **SEC. 6. RULE OF CONSTRUCTION.**

5 This Act and the amendments made by this Act may  
6 not be construed to limit the enforcement authorities that  
7 financial regulators and law enforcement agencies had,  
8 prior to the date of enactment of this Act, to hold execu-  
9 tive officers and board members of insured depository in-  
10 stitutions and covered financial companies accountable for  
11 any misconduct in which they are found to have engaged.

12 **DIVISION B—INCENTIVIZING**  
13 **SAFE AND SOUND BANKING**

14 **SECTION 1. SHORT TITLE.**

15 This Act may be cited as the “Incentivizing Safe and  
16 Sound Banking Act”.

17 **SEC. 2. STOCK SALE PROHIBITION.**

18 (a) **AUTHORITY TO PROHIBIT STOCK SALES RELAT-**  
19 **ING TO CEASE AND DESIST ORDERS.**—Section 8(b) of the  
20 Federal Deposit Insurance Act (12 U.S.C. 1818(b)) is  
21 amended by inserting at the end the following:

22 “(11) **STOCK SALE PROHIBITION.**—The author-  
23 ity to issue an order under this subsection or sub-  
24 section (c) includes the authority to prohibit the sale  
25 of securities of the insured depository institution and

1 any affiliate of such insured depository institution  
2 received and owned by any current or former officer  
3 or director of the insured depository institution or  
4 any institution-affiliated party that received such se-  
5 curities as a form of compensation.”.

6 (b) AUTOMATIC PROHIBITION.—Section 8 of the  
7 Federal Deposit Insurance Act (12 U.S.C. 1818) is fur-  
8 ther amended by adding at the end the following:

9 “(y) AUTOMATIC PROHIBITION OF STOCK SALE.—

10 “(1) IN GENERAL.—If a covered banking insti-  
11 tution has a composite or component rating of 3, 4,  
12 or 5 under the Uniform Financial Institutions Rat-  
13 ing System (or an equivalent rating under a com-  
14 parable rating system), or the appropriate Federal  
15 banking agency issues a ‘matter requiring immediate  
16 attention’ (or similar supervisory notice, as deter-  
17 mined by the appropriate Federal banking agency)  
18 to a covered banking institution, and the institution  
19 does not remediate the issue by the deadline estab-  
20 lished by the appropriate Federal banking agency,  
21 any senior executive officer may not sell securities of  
22 the covered banking institution or any affiliate of the  
23 covered banking institution that the individual re-  
24 ceived as a form of compensation, until the matter

1 is resolved to the satisfaction of the appropriate  
2 Federal banking agency.

3 “(2) COVERED BANKING INSTITUTION.—In this  
4 subsection, the term ‘covered banking institution’  
5 means—

6 “(A) a bank holding company with more  
7 than \$50,000,000,000 in consolidated assets;

8 “(B) a bank subsidiary of a bank holding  
9 company described under subparagraph (A); or

10 “(C) a bank or savings association with  
11 more than \$50,000,000,000 in consolidated as-  
12 sets.”.

13 **DIVISION C—CLOSING THE EN-**  
14 **HANCED PRUDENTIAL**  
15 **STANDARDS LOOPHOLE**

16 **SECTION 1. SHORT TITLE.**

17 This Act may be cited as the “Closing the Enhanced  
18 Prudential Standards Loophole Act”.

19 **SEC. 2. ENHANCED SUPERVISION AND PRUDENTIAL STAND-**  
20 **ARDS FOR BANKS WITH NO BANK HOLDING**  
21 **COMPANY.**

22 Section 165 of the Financial Stability Act of 2010  
23 (12 U.S.C. 5365) is amended by adding at the end the  
24 following:

1 “(I) APPLICATION TO BANKS WITH NO BANK HOLD-  
2 ING COMPANY.—The provisions of this section shall apply  
3 to a bank that does not have a bank holding company to  
4 the same extent as such provisions apply to a bank holding  
5 company with the same amount of total consolidated as-  
6 sets as the bank.”.

## 7 **DIVISION D—EFFECTIVE BANK** 8 **REGULATION**

### 9 **SECTION 1. SHORT TITLE.**

10 This Act may be cited as the “Effective Bank Regula-  
11 tion Act”.

### 12 **SEC. 2. STRESS TEST SCENARIO.**

13 Section 165(i)(1)(B)(i) of the Financial Stability Act  
14 of 2010 (12 U.S.C. 5365(i)(1)(B)(i)) is amended—

15 (1) by striking “2 different” and inserting “5  
16 different”; and

17 (2) by striking “baseline and severely adverse”  
18 and inserting “baseline, adverse, severely adverse, a  
19 set of conditions that evaluates for increases in in-  
20 terest rates, and a set of conditions that evaluates  
21 for decreases in interest rates”.

## 22 **DIVISION E—BANK SAFETY**

### 23 **SECTION 1. SHORT TITLE.**

24 This Act may be cited as the “Bank Safety Act of  
25 2024”.

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

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

6 “(d) INCLUSION OF ELEMENTS OF ACCUMULATED  
7 OTHER COMPREHENSIVE INCOME.—

8 “(1) IN GENERAL.—The computation of capital  
9 for purposes of meeting capital requirements for a  
10 covered financial institution shall include AOCI.

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

12 “(A) AOCI.—The term ‘AOCI’ means—

13 “(i) all accumulated other comprehen-  
14 sive income components, except for accu-  
15 mulated net gains and losses on cash flow  
16 hedges related to items that are not recog-  
17 nized at fair value; or

18 “(ii) such other definition as the Fed-  
19 eral banking agencies may establish, by  
20 rule.

21 “(B) COVERED FINANCIAL INSTITUTION.—

22 “(i) IN GENERAL.—The term ‘covered  
23 financial institution’ means—

24 “(I) a depository institution hold-  
25 ing company (as defined in section 3  
26 of the Federal Deposit Insurance Act)

1 with total consolidated assets greater  
2 than \$100,000,000,000;

3 “(II) an insured depository insti-  
4 tution over which a bank holding com-  
5 pany does not have control with total  
6 consolidated assets greater than  
7 \$100,000,000,000; or

8 “(III) such other category of de-  
9 pository institution holding companies  
10 or insured depository institutions as  
11 may be jointly determined by the Fed-  
12 eral banking agencies, by rule, based  
13 on an analysis of financial risk-related  
14 factors.

15 “(ii) EXCEPTION.—Unless the Board  
16 of Governors determines it to be necessary  
17 to ensure the safety and soundness of a  
18 covered financial institution, the term ‘cov-  
19 ered financial institution’ does not include  
20 a savings and loan holding company—

21 “(I) that is substantially engaged  
22 in insurance underwriting or commer-  
23 cial activities; or

24 “(II) with respect to which the  
25 Small Bank Holding Company and

1 Savings and Loan Holding Company  
2 Policy Statement of the Board of Gov-  
3 ernors applies (12 CFR 225 app.  
4 C).”.

5 (b) TRANSITION PROVISION.—

6 (1) IN GENERAL.—The Federal banking agen-  
7 cies shall, jointly, establish a transition period for  
8 the application of the requirement under subsection  
9 (d) of section 171 of the Financial Stability Act of  
10 2010 to a covered financial institution (including an  
11 opt out institution) that—

12 (A) phases in such requirement over time;

13 and

14 (B) fully applies such requirement to cov-  
15 ered financial institutions on or before July 1,  
16 2028.

17 (2) DEFINITIONS.—In this subsection:

18 (A) COVERED FINANCIAL INSTITUTION.—

19 The term “covered financial institution” has  
20 the meaning given that term under section  
21 171(d) of the Financial Stability Act of 2010.

22 (B) FEDERAL BANKING AGENCY.—The

23 term “Federal banking agency” has the mean-  
24 ing given that term under section 3 of the Fed-  
25 eral Deposit Insurance Act (12 U.S.C. 1813).



1 (C) OPT OUT INSTITUTION.—The term  
2 “opt out institution” means a covered financial  
3 institution that elected to opt out of the re-  
4 quirement to report accumulated other com-  
5 prehensive income components pursuant to the  
6 rule titled “Changes to Applicability Thresholds  
7 for Regulatory Capital and Liquidity Require-  
8 ments” (84 Fed. Reg. 59230; November 1,  
9 2019).

## 10 **DIVISION F—FAILING BANK** 11 **ACQUISITION FAIRNESS**

### 12 **SECTION 1. SHORT TITLE.**

13 This Act may be cited as the “Failing Bank Acquisi-  
14 tion Fairness Act”.

### 15 **SEC. 2. CONCENTRATION LIMIT EXCEPTIONS ONLY AVAIL-** 16 **ABLE WHEN NO OTHER QUALIFYING BIDS.**

17 (a) NATIONWIDE CONCENTRATION LIMIT WITH RE-  
18 SPECT TO DEPOSITS.—Section 44(e) of the Federal De-  
19 posit Insurance Act (12 U.S.C. 1831u(e)) is amended by  
20 adding at the end the following: “Notwithstanding the pre-  
21 vious sentence, if the responsible agency receives more  
22 than one application under subsection (a)(1) for approval  
23 of a merger transaction involving the acquisition of the  
24 same bank in default or in danger of default or with re-  
25 spect to which the Corporation provides assistance under

1 section 13(c), the responsible agency may only approve  
2 such an application without regard to subsection (b)(2)(A)  
3 if none of the other applications can be approved in com-  
4 pliance with subsection (b)(2)(A).”.

5 (b) CONCENTRATION LIMIT WITH RESPECT TO CON-  
6 SOLIDATED LIABILITIES.—Section 14(c) of the Bank  
7 Holding Company Act of 1956 (12 U.S.C. 1852(e)) is  
8 amended—

9 (1) by redesignating paragraphs (1), (2), and  
10 (3) as subparagraphs (A), (B), and (C) (and adjust-  
11 ing the margins accordingly);

12 (2) by striking “With the” and inserting the  
13 following:

14 “(1) IN GENERAL.—With the”; and

15 (3) by adding at the end the following:

16 “(2) LIMITATION.—If the Board receives more  
17 than one application for an acquisition of a bank in  
18 default or in danger of default or with respect to  
19 which the Federal Deposit Insurance Corporation  
20 provides assistance under section 13(c) of the Fed-  
21 eral Deposit Insurance Act, the Board may only give  
22 consent under paragraph (1) to waive the concentra-  
23 tion limit if none of the other applications can be ap-  
24 proved without such consent.”.



1                   “(cc) the likely effect of the  
2                   determination and such action on  
3                   the incentives and conduct of in-  
4                   sured depository institutions and  
5                   uninsured depositors;

6                   “(dd) any mismanagement  
7                   by the executives and board of  
8                   the insured depository institution  
9                   that contributed to the failure of  
10                  the insured depository institu-  
11                  tion;

12                  “(ee) a review of the com-  
13                  pensation practices of the insured  
14                  depository institution;

15                  “(ff) any supervisory or reg-  
16                  ulatory shortcomings with respect  
17                  to the appropriate Federal bank-  
18                  ing agency of the insured deposi-  
19                  tory institution;

20                  “(gg) any actions taken by  
21                  the Federal banking regulators,  
22                  Financial Stability Oversight  
23                  Council, Treasury Department,  
24                  and other relevant financial regu-

1                   lators in relation to the bank's  
2                   failure; and

3                   “(hh) any additional rel-  
4                   evant entities or activities that  
5                   may have contributed to the fail-  
6                   ure of the insured depository in-  
7                   stitution, including with respect  
8                   to auditing, accounting, credit  
9                   rating agencies, investment bank  
10                  underwriters, and emergency li-  
11                  quidity options such as loans  
12                  from the Federal Reserve or ad-  
13                  vances through the Federal  
14                  Home Loan Bank system.

15                  “(II) RULE OF CONSTRUC-  
16                  TION.—Nothing in this clause or a re-  
17                  port issued pursuant to this clause  
18                  may be construed to limit the author-  
19                  ity of a Federal agency to enforce vio-  
20                  lations of Federal statutes, rules, or  
21                  orders.

22                  (b) APPROPRIATE FEDERAL BANKING AGENCY RE-  
23                  PORT.—Section 13(c) of the Federal Deposit Insurance  
24                  Act (12 U.S.C. 1823(c)) is amended by adding at the end  
25                  the following:

1           “(12) APPROPRIATE FEDERAL BANKING AGEN-  
2           CY REPORT.—

3           “(A) IN GENERAL.—The appropriate Fed-  
4           eral banking agency of an insured depository  
5           institution about which a determination is made  
6           under paragraph (4)(G)(i) shall, not later than  
7           90 days after the date of such determination,  
8           and again 210 days thereafter, submit a report  
9           to the Congress that discloses the following:

10           “(i) Subject to such redactions as the  
11           appropriate Federal banking agency deter-  
12           mines appropriate of personally identifiable  
13           information about customers and other fi-  
14           nancial institutions (as such term is de-  
15           fined under section 11(e)(9)(D)), all—

16           “(I) reports of examination and  
17           inspection that relate to the failed in-  
18           sured depository institution in the  
19           previous 3-year period;

20           “(II) formal communications of a  
21           material supervisory determination  
22           conveyed to the failed insured depository  
23           institution in the previous 3-year  
24           period; and

1                   “(III) any additional exam re-  
2                   ports and correspondence that the ap-  
3                   propriate Federal banking agency de-  
4                   termines may be relevant to the fail-  
5                   ure of the insured depository institu-  
6                   tion.

7                   “(ii) An examination of any mis-  
8                   management by the executives and board  
9                   of the insured depository institution that  
10                  contributed to the failure of the insured  
11                  depository institution.

12                  “(iii) Any supervisory or regulatory  
13                  shortcomings by such appropriate Federal  
14                  banking agency with respect to the insured  
15                  depository institution.

16                  “(iv) Any dynamics that the appro-  
17                  priate Federal banking agency determines  
18                  may have contributed to the failure of the  
19                  insured depository institution.

20                  “(v) Any supervisory, regulatory, and  
21                  legislative recommendations such appro-  
22                  priate Federal banking agency may have to  
23                  improve the safety and soundness of simi-  
24                  larly situated insured depository institu-

1                   tions, the banking system, and financial  
2                   stability.

3                   “(B) PROTECTION OF SENSITIVE INFOR-  
4                   MATION.—

5                   “(i) EFFECT ON PRIVILEGE.—Except  
6                   as provided under clause (ii), the provision  
7                   of any information by a Federal banking  
8                   agency under this paragraph may not be  
9                   construed as—

10                   “(I) waiving, destroying, or oth-  
11                   erwise affecting any privilege applica-  
12                   ble to the information; or

13                   “(II) waiving any exemption ap-  
14                   plicable to the information under sec-  
15                   tion 552 of title 5 United States Code  
16                   (commonly known as the ‘Freedom of  
17                   Information Act’).

18                   “(ii) TRANSPARENCY.—

19                   “(I) IN GENERAL.—A Federal  
20                   banking agency shall publish mate-  
21                   rials contained in a report required  
22                   under subparagraph (A) to the fullest  
23                   extent possible to promote trans-  
24                   parency.



1                   “(II) CONSULTATION ON OMIT-  
2                   TING MATERIALS.—If a Federal bank-  
3                   ing agency determines particular ma-  
4                   terials described under subclause (I)  
5                   should not be published, the Federal  
6                   banking agency shall consult with the  
7                   chair and ranking member of the  
8                   Committee on Financial Services of  
9                   the House of Representatives and the  
10                  chair and ranking member of the  
11                  Committee on Banking, Housing, and  
12                  Urban Affairs of the Senate.

13                  “(III) OMITTING MATERIALS.—  
14                  If, after the consultation required  
15                  under subclause (II), the Federal  
16                  banking agency determines there is a  
17                  substantial public interest in not pub-  
18                  lishing such materials, the Federal  
19                  banking agency shall provide those  
20                  materials to the Committee on Finan-  
21                  cial Services of the House of Rep-  
22                  resentatives and the Committee on  
23                  Banking, Housing, and Urban Affairs  
24                  of the Senate with a written expla-

1 nation describing the reasons for not  
2 publishing those materials.

3 “(iii) PRIVILEGE.—For purposes of  
4 this subparagraph, the term ‘privilege’ in-  
5 cludes any work-product, attorney-client,  
6 or other privilege recognized under Federal  
7 or State law.

8 “(C) REPORT EXTENSION.—A Federal  
9 banking agency may extend a deadline de-  
10 scribed under subparagraph (A) for an addi-  
11 tional 60 days, if the Federal banking agency—

12 “(i) faces ongoing circumstances that  
13 require the Federal banking agency to  
14 prioritize activities to promote stability of  
15 the U.S. banking system; and

16 “(ii) notifies the Congress of such ex-  
17 tension and the reasons for such extension.

18 “(D) CONSOLIDATED REPORTS.—A Fed-  
19 eral banking agency may consolidate multiple  
20 reports required under this paragraph so long  
21 as the individual reports being consolidated all  
22 meet the timing requirements under this para-  
23 graph.

24 “(E) RULE OF CONSTRUCTION.—Nothing  
25 in this paragraph or reports or materials pro-

1           vided pursuant to this paragraph may be con-  
2           strued to limit the authority of a Federal agen-  
3           cy to enforce violations of Federal statutes,  
4           rules, or orders.”.

5   **DIVISION H—SHIELDING COM-**  
6   **MUNITY BANKS FROM SYS-**  
7   **TEMIC RISK ASSESSMENTS**

8   **SECTION 1. SHORT TITLE.**

9           This Act may be cited as the “Shielding Community  
10   Banks from Systemic Risk Assessments Act”.

11   **SEC. 2. SPECIAL ASSESSMENT EXEMPTIONS AND CONSID-**  
12                                   **ERATIONS.**

13           Section 13(c)(4)(G)(ii) of the Federal Deposit Insur-  
14   ance Act (12 U.S.C. 1823(c)(4)(G)(ii)) is amended by  
15   adding at the end the following:

16                                   “(IV)   SPECIAL   ASSESSMENT  
17                                   CONSIDERATIONS.—With respect to  
18                                   any special assessment described  
19                                   under this clause, the Corporation  
20                                   shall—

21   “(aa) exempt an insured de-  
22   pository institution or depository  
23   institution holding company with  
24   less than \$1,000,000,000 in con-  
25   solidated assets;

1 “(bb) exempt an insured de-  
2 pository institution or depository  
3 institution holding company with  
4 \$1,000,000,000 or more in con-  
5 solidated assets but less than  
6 \$10,000,000,000 in consolidated  
7 assets, unless the Corporation de-  
8 termines that—

9 “(AA) the determina-  
10 tion by the Secretary under  
11 clause (i) that caused the  
12 loss to the Deposit Insur-  
13 ance Fund with respect to  
14 which the special assessment  
15 relates was with respect to  
16 the failure of another in-  
17 sured depository institution  
18 that is similar to the insured  
19 depository institution or de-  
20 pository institution holding  
21 company; and

22 “(BB) the insured de-  
23 pository institution or depos-  
24 itory institution holding  
25 company benefitted from the

1 actions taken or assistance  
2 provided that necessitated  
3 the special assessment;

4 “(cc) consider the impact of  
5 the special assessment on minor-  
6 ity depository institutions, rural  
7 depository institutions, and de-  
8 pository institutions that are  
9 community development financial  
10 institutions; and

11 “(dd) ensure that the special  
12 assessment is implemented in a  
13 manner that considers the eco-  
14 nomic, social, and regional diver-  
15 sity of the banking system.

16 In this subclause, with respect to an  
17 insured depository institution or de-  
18 pository institution holding company,  
19 the term ‘consolidated assets’ means  
20 the aggregate of the assets of the in-  
21 sured depository institution or depository  
22 institution holding company and  
23 the assets of each affiliate (as such  
24 term is defined under section 2(k) of  
25 the Bank Holding Company Act of

1 1956) of the insured depository insti-  
2 tution or depository institution hold-  
3 ing company.”.

4 **DIVISION I—CHIEF RISK OFFI-**  
5 **CER ENFORCEMENT AND AC-**  
6 **COUNTABILITY**

7 **SECTION 1. SHORT TITLE.**

8 This Act may be cited as the “Chief Risk Officer En-  
9 forcement and Accountability Act”.

10 **SEC. 2. CHIEF RISK OFFICER.**

11 Section 165(h) of the Financial Stability Act of 2010  
12 (12 U.S.C. 5365(h)) is amended—

13 (1) in paragraph (2)—

14 (A) by striking “that is a publicly traded  
15 company and” each place such term appears;  
16 and

17 (B) by inserting “, and appoint a chief risk  
18 officer, as set forth in paragraph (4)” after “as  
19 set forth in paragraph (3)” each place such  
20 term appears;

21 (2) by redesignating paragraph (4) as para-  
22 graph (6); and

23 (3) by inserting after paragraph (3) the fol-  
24 lowing:

25 “(4) CHIEF RISK OFFICER.—

1           “(A) IN GENERAL.—A chief risk officer re-  
2           quired by this subsection shall be appointed by  
3           a company from among individuals with experi-  
4           ence in identifying, assessing, and managing  
5           risk exposures of large, complex financial firms.

6           “(B) RESPONSIBILITIES.—A chief risk of-  
7           ficer shall be responsible for overseeing the fol-  
8           lowing:

9                   “(i) The establishment of risk limits  
10                  on an enterprise-wide basis and the moni-  
11                  toring of compliance with such limits.

12                  “(ii) The implementation of and ongo-  
13                  ing compliance with the policies and proce-  
14                  dures establishing risk-management gov-  
15                  ernance, risk-management procedures, and  
16                  risk-control infrastructure for the global  
17                  operations of the company.

18                  “(iii) The development and implemen-  
19                  tation of the processes and systems for im-  
20                  plementing and monitoring compliance  
21                  with the policies and procedures described  
22                  under clause (ii), including—

23                          “(I) processes and systems for  
24                          identifying and reporting risks and  
25                          risk-management deficiencies, includ-

1 ing regarding emerging risks, and en-  
2 suring effective and timely implemen-  
3 tation of actions to address emerging  
4 risks and risk-management defi-  
5 ciencies for the global operations of  
6 the company;

7 “(II) processes and systems for  
8 establishing managerial and employee  
9 responsibility for risk management;

10 “(III) processes and systems for  
11 ensuring the independence of the risk-  
12 management function; and

13 “(IV) processes and systems to  
14 integrate risk management and associ-  
15 ated controls with management goals  
16 and the compensation structure of the  
17 company for the global operations of  
18 the company.

19 “(iv) The management of risks and  
20 risk controls within the parameters of the  
21 company’s risk-control framework, and  
22 monitoring and testing of the company’s  
23 risk controls.

24 “(C) REPORTING RESPONSIBILITIES.—A  
25 chief risk officer shall—



1           “(i) report directly to both the risk  
2           committee described under paragraph (3)  
3           and the chief executive officer of the com-  
4           pany; and

5           “(ii) be responsible for reporting risk-  
6           management deficiencies and emerging  
7           risks to the risk committee described under  
8           paragraph (3) and resolving risk-manage-  
9           ment deficiencies in a timely manner.

10          “(D) VACANCIES.—

11           “(i) NOTIFICATION TO REGU-  
12           LATORS.—With respect to a chief risk offi-  
13           cer required by this subsection, if the office  
14           of a chief risk officer becomes vacant, the  
15           company shall—

16           “(I) not later than 24 hours after  
17           such vacancy occurs, notify the pri-  
18           mary financial regulatory agency of  
19           the company, the primary financial  
20           regulatory agency of any depository  
21           institution subsidiary of the company,  
22           and any State agency with supervisory  
23           authority over the company or any de-  
24           pository institution subsidiary of the  
25           company of such vacancy; and

1           “(II) not later than 7 days after  
2           such vacancy occurs, submit a plan to  
3           the primary financial regulatory agen-  
4           cy of the company, the primary finan-  
5           cial regulatory agency of any deposi-  
6           tory institution subsidiary of the com-  
7           pany, and any State agency with su-  
8           pervisory authority over the company  
9           or any depository institution sub-  
10          sidiary of the company on how the  
11          company will search for and promptly  
12          hire a well-qualified chief risk officer  
13          to fill the vacancy.

14          “(ii) FAILURE TO FILL VACANCY.—  
15          With respect to a vacancy described under  
16          clause (i), if the company does not fill the  
17          vacancy within 60 days of the vacancy oc-  
18          curring—

19                 “(I) the company shall notify the  
20                 public, including on the website of the  
21                 company, that the vacancy has existed  
22                 for more than 60 days; and

23                 “(II) the total assets of the com-  
24                 pany may not exceed the total assets  
25                 of the company on the date the va-

1                    vacancy occurred until such time as the  
2                    vacancy is filled.

3                    “(5) APPLICATION TO LARGE BANKS WITH NO  
4                    BANK HOLDING COMPANY.—The primary financial  
5                    regulatory agencies shall issue regulations requiring  
6                    each bank that does not have a bank holding com-  
7                    pany and that has total consolidated assets of not  
8                    less than \$50,000,000,000 to establish a risk com-  
9                    mittee, as set forth in paragraph (3) and appoint a  
10                   chief risk officer, as set forth in paragraph (4).

11                   “(6) PRIMARY FINANCIAL REGULATORY AGEN-  
12                   CY FOR CERTAIN NONBANK FINANCIAL COMPA-  
13                   NIES.—For purposes of this subsection, the primary  
14                   financial regulatory agency for a nonbank financial  
15                   company supervised by the Board of Governors shall  
16                   be the Board of Governors.”.

17 **DIVISION J—FOSTERING AC-**  
18 **COUNTABILITY IN REMU-**  
19 **NERATION FUND**

20 **SECTION 1. SHORT TITLE.**

21                   This Act may be cited as the “Fostering Account-  
22 ability In Remuneration Fund Act of 2023” or the “FAIR  
23 Fund Act of 2023”.

24 **SEC. 2. FINDINGS.**

25                   Congress finds the following:

1           (1) Going back at least to the Wall Street crash  
2 of 1929, improper pay structures have contributed  
3 to financial crises in the United States.

4           (2) Widespread financial misconduct led to the  
5 2008 financial crisis, which caused the Great Reces-  
6 sion. Compensation structures incentivized execu-  
7 tives and employees to pursue short-term profits  
8 without regard for long-term risks to their firms or  
9 the broader financial system. While culpable employ-  
10 ees and executives continued to receive extraordinary  
11 pay, homeowners, workers, and communities paid  
12 the price for their greed and recklessness.

13           (3) As seen in the 2023 banking failures, mis-  
14 aligned incentives within the financial sector con-  
15 tinue to fail to hold executives and their senior em-  
16 ployees accountable for their actions. Silicon Valley  
17 Bank CEO Greg Becker enjoyed millions of dollars  
18 in incentive-based bonuses, while his bank mis-  
19 managed risks and failed to respond to regulator's  
20 warnings. In the hours before the failure of Silicon  
21 Valley Bank, managers paid themselves millions of  
22 dollars for what they deemed to be superior perform-  
23 ance.

24           (4) Employees in the financial sector continue  
25 to walk away with generous bonuses while their

1 firms break the law and undermine the stability of  
2 the financial system. Compensation incentives that  
3 promote inappropriate risk-taking are a threat to  
4 economic security.

5 **SEC. 3. DEFERMENT OF SENIOR EMPLOYEE COMPENSA-**  
6 **TION.**

7 (a) DEFERMENT FUND.—Each covered financial in-  
8 stitution and each subsidiary of a covered financial institu-  
9 tion shall establish a deferment fund, which shall—

10 (1) only contain compensation deferred under  
11 subsection (b); and

12 (2) only be used as permitted by this section.

13 (b) DEFERMENT OF COMPENSATION.—Each covered  
14 financial institution and each subsidiary of a covered fi-  
15 nancial institution shall—

16 (1) each year, defer the compensation of each  
17 senior employee of the covered financial institution  
18 or subsidiary in an amount equal to at least 50 per-  
19 cent of the amount that the employee's total com-  
20 pensation for the year exceeds 7 times the com-  
21 pensation of the median paid employee of the con-  
22 solidated financial institution for the year;

23 (2) place all compensation deferred under para-  
24 graph (1) into the deferment fund of the covered fi-  
25 nancial institution or subsidiary; and

1           (3) after the end of the covered deferment pe-  
2           riod, if sufficient funds remain in the deferment  
3           fund, pay the senior employee the amount of com-  
4           pensation deferred and for which the covered  
5           deferment period ended.

6           (c) USE OF DEFERMENT FUND.—

7           (1) USE OF FUND TO PAY FINES.—If a covered  
8           financial institution or subsidiary of a covered finan-  
9           cial institution is subject to a civil or criminal fine,  
10          the covered financial institution or subsidiary shall  
11          first pay such fine out of amounts contained in the  
12          deferment fund of the covered financial institution  
13          or subsidiary.

14          (2) USE OF FUNDS TO MAKE DEPOSITORS  
15          WHOLE.—If a covered financial institution is a de-  
16          pository institution or a credit union and the deposi-  
17          tory institution or credit union fails, the depository  
18          institution or credit union shall use amounts in the  
19          deferment fund of the depository institution or cred-  
20          it union to ensure depositors do not lose any of their  
21          deposits. All amounts in the deferment fund shall be  
22          used before any amounts are paid from the Deposit  
23          Insurance Fund or the National Credit Union Share  
24          Insurance Fund, as applicable, for such purpose.

1 (d) CANCELLATION OF COMPENSATION THAT CAN-  
2 NOT BE PAID FROM DEFERMENT FUND.—Each covered  
3 financial institution or subsidiary shall have in place a pol-  
4 icy that cancels any compensation deferred under sub-  
5 section (b) that cannot be repaid as described under sub-  
6 section (b)(3), due to the deferment fund lacking sufficient  
7 funds.

8 (e) TREATMENT OF DEFERRED COMPENSATION OF  
9 EX-EMPLOYEES.—With respect to an individual that has  
10 compensation deferred pursuant to subsection (b), but is  
11 no longer employed by the applicable covered financial in-  
12 stitution or subsidiary, if the covered financial institution  
13 or subsidiary is required to pay a fine from its deferment  
14 fund for misconduct that occurred after the individual was  
15 no longer employed by the covered financial institution or  
16 subsidiary, the covered financial institution or subsidiary  
17 shall segregate the individual's deferred compensation  
18 from other amounts in the deferment fund and shall not  
19 use such segregated amounts for any purpose other than  
20 repaying the individual pursuant to subsection (b)(3) or  
21 for the payment of another fine for misconduct that oc-  
22 curred while the individual was still employed by the cov-  
23 ered financial institution or subsidiary.

24 (f) RULEMAKING.—The Board of Governors of the  
25 Federal Reserve System, the Comptroller of the Currency,

1 the Federal Deposit Insurance Corporation, the Federal  
2 Housing Finance Agency, the National Credit Union Ad-  
3 ministration, and the Securities and Exchange Commis-  
4 sion may each issue such rules as may be necessary to  
5 carry out this section with respect to covered financial in-  
6 stitutions and subsidiaries subject to supervision by the  
7 agency.

8 (g) DEFINITIONS.—In this section:

9 (1) APPROPRIATE FEDERAL REGULATOR.—The  
10 term “appropriate Federal regulator” means—

11 (A) the appropriate Federal banking agen-  
12 cy, as defined under section 3 of the Federal  
13 Deposit Insurance Act;

14 (B) the Federal Housing Finance Agency,  
15 in the case of the Federal National Mortgage  
16 Association or the Federal Home Loan Mort-  
17 gage Corporation;

18 (C) the National Credit Union Administra-  
19 tion, in the case of a credit union described  
20 under paragraph (6)(C); and

21 (D) the Securities and Exchange Commis-  
22 sion, in the case of a person described under  
23 subparagraph (B) or (D) of paragraph 6).

24 (2) COMPENSATION.—With respect to an em-  
25 ployee, the term “compensation” means any finan-



1       cial remuneration, including salary, bonuses, incen-  
2       tives, benefits, severance, deferred compensation, or  
3       golden parachute benefits, and any profits that  
4       would be realized from the sale of the securities of  
5       the company employing the employee.

6           (3) CONSOLIDATED FINANCIAL INSTITUTION.—  
7       With respect to a financial institution, the term  
8       “consolidated financial institution” means the finan-  
9       cial institution and all subsidiaries of the financial  
10      institution.

11          (4) COVERED DEFERMENT PERIOD.—The term  
12      “covered deferment period” means—

13           (A) with respect to a covered financial in-  
14      stitution with less than \$10,000,000,000 in  
15      consolidated assets, a number of years, to be  
16      determined by the appropriate Federal regu-  
17      lator if determined necessary by such appro-  
18      priate Federal regulator, beginning on the date  
19      the compensation is deferred;

20           (B) with respect to a covered financial in-  
21      stitution with \$10,000,000,000 or more, but  
22      less than \$50,000,000,000, in consolidated as-  
23      sets, 2 years beginning on the date the com-  
24      pensation is deferred;

1 (C) with respect to a covered financial in-  
2 stitution with \$50,000,000,000 or more, but  
3 less than \$250,000,000,000, in consolidated as-  
4 sets, 6 years beginning on the date the com-  
5 pensation is deferred; and

6 (D) with respect to a covered financial in-  
7 stitution with \$250,000,000,000 or more in  
8 consolidated assets, 8 years beginning on the  
9 date the compensation is deferred.

10 (5) COVERED FINANCIAL INSTITUTION.—The  
11 term “covered financial institution” means a finan-  
12 cial institution with more than \$1,000,000,000 in  
13 consolidated assets.

14 (6) FINANCIAL INSTITUTION.—The term “fi-  
15 nancial institution” means—

16 (A) a depository institution or depository  
17 institution holding company, as such terms are  
18 defined, respectively, in section 3 of the Federal  
19 Deposit Insurance Act (12 U.S.C. 1813);

20 (B) a broker or a dealer registered under  
21 section 15 of the Securities Exchange Act of  
22 1934 (15 U.S.C. 78o);

23 (C) a credit union, as described in section  
24 19(b)(1)(A)(iv) of the Federal Reserve Act;

1 (D) an investment adviser, as defined in  
2 section 202(a) of the Investment Advisers Act  
3 of 1940 (15 U.S.C. 80b-2(a));

4 (E) the Federal National Mortgage Asso-  
5 ciation; and

6 (F) the Federal Home Loan Mortgage  
7 Corporation.

8 (7) SENIOR EMPLOYEE.—The term “senior em-  
9 ployee” means an employee of a covered financial in-  
10 stitution or a subsidiary of the covered financial in-  
11 stitution who—

12 (A) is a senior executive officer;

13 (B) has total annual compensation of more  
14 than \$1,000,000;

15 (C) with respect to a covered financial in-  
16 stitution with \$50,000,000,000 or more, but  
17 less than \$250,000,000,000, in consolidated as-  
18 sets—

19 (i) is in the top 2 percent of the most  
20 highly compensated employees in the con-  
21 solidated financial institution; or

22 (ii) has the authority to commit or ex-  
23 pose 0.5 percent or more of the capital of  
24 the consolidated financial institution; or

1 (D) with respect to a covered financial in-  
2 stitution with \$250,000,000,000 or more in  
3 consolidated assets—

4 (i) is in the top 5 percent of the most  
5 highly compensated employees in the con-  
6 solidated financial institution; or

7 (ii) has the authority to commit or ex-  
8 pose 0.5 percent or more of the capital of  
9 the consolidated financial institution.

10 **DIVISION K—STOPPING BO-**  
11 **NUSES FOR UNSAFE AND UN-**  
12 **SOUND BANKING**

13 **SECTION 1. SHORT TITLE.**

14 This Act may be cited as the “Stopping Bonuses for  
15 Unsafe and Unsound Banking Act”.

16 **SEC. 2. FREEZE ON DISCRETIONARY BONUS PAYMENTS BY**  
17 **LARGE BANKING INSTITUTIONS IN CERTAIN**  
18 **CIRCUMSTANCES.**

19 (a) **IN GENERAL.**—If the appropriate Federal bank-  
20 ing agency issues a “matter requiring immediate atten-  
21 tion” (or similar supervisory notice) to a covered banking  
22 institution, the institution may not make any discretionary  
23 bonus payment to a senior executive officer until the mat-  
24 ter is resolved to the satisfaction of the appropriate Fed-  
25 eral banking agency.

1 (b) REMEDIATION PLAN EXCEPTION.—Subsection  
2 (a) shall not apply to a covered banking institution receiv-  
3 ing a “matter requiring immediate attention” (or similar  
4 supervisory notice)—

5 (1) during the period beginning on the date the  
6 covered banking institution receives the “matter re-  
7 quiring immediate attention” (or similar supervisory  
8 notice) and ending on the date of the deadline de-  
9 scribed under paragraph (2) to submit a remediation  
10 plan; and

11 (2) if the covered banking institution provides  
12 the appropriate Federal banking agency with a re-  
13 mediation plan (which shall include an implementa-  
14 tion period) to correct the matter that is accepted by  
15 the appropriate Federal banking agency by such  
16 deadline as determined by the appropriate Federal  
17 banking agency, during the period beginning on the  
18 date the remediation plan is accepted and the end of  
19 the implementation period.

20 (c) DEFINITIONS.—In this section:

21 (1) COVERED BANKING INSTITUTION.—The  
22 term “covered banking institution” means—

23 (A) a bank holding company with more  
24 than \$50,000,000,000 in consolidated assets;

1 (B) a bank subsidiary of a bank holding  
2 company described under subparagraph (A);  
3 and

4 (C) a bank that does not have a bank hold-  
5 ing company and that has more than  
6 \$50,000,000,000 in consolidated assets.

7 (2) OTHER TERMS.—The terms “appropriate  
8 Federal banking agency”, “bank”, “bank holding  
9 company”, and “Federal banking agency” have the  
10 meanings given those terms, respectively, under sec-  
11 tion 3 of the Federal Deposit Insurance Act.

## 12 **DIVISION L—SUPERVISORY** 13 **ESCALATION PLAN**

### 14 **SECTION 1. STRATEGIC PLAN.**

15 (a) IN GENERAL.—The covered Federal agencies (in  
16 consultation with such other Federal or State agencies as  
17 the covered Federal agencies determine appropriate) shall  
18 design a strategic plan describing how the agencies will  
19 promptly escalate matters and utilize the full extent of the  
20 agencies’ authorities to hold a large banking organization  
21 or affiliated banking organization (including the directors  
22 and officers of such organization) accountable when such  
23 organization engages in a pattern of compliance failures,  
24 including when such failures result in safety and sound-  
25 ness concerns, extensive consumer harm, or discrimination

1 under Federal law, including under the Equal Credit Op-  
2 portunity Act, or an unfair, deceptive, or abusive act or  
3 practice described under section 1031 of the Consumer Fi-  
4 nancial Protection Act of 2010.

5 (b) PENALTIES.—The plan described in subsection  
6 (a) shall include an outline of penalties for multiple com-  
7 pliance failures by a large banking organization that in-  
8 crease in severity based on the number and type of failure.

9 (c) PUBLIC FEEDBACK.—The covered Federal agen-  
10 cies shall make a draft of the strategic plan described in  
11 subsection (a) publicly available and invite public feedback  
12 on the plan.

13 (d) REPORT.—Not later than 1 year after the date  
14 of enactment of this Act, the covered Federal agencies  
15 shall—

16 (1) issue a report to the Committee on Finan-  
17 cial Services of the House of Representatives and  
18 the Committee on Banking, Housing, and Urban Af-  
19 fairs of the Senate containing the strategic plan de-  
20 signed under subsection (a); and

21 (2) make such report publicly available on a  
22 website of each covered Federal agency.

23 (e) PERIODIC UPDATES.—The covered Federal agen-  
24 cies (in consultation with such other Federal or State  
25 agencies as the covered Federal agencies determine appro-

1 priate) may periodically update the strategic plan required  
2 under subsection (a) if the agencies comply with the re-  
3 quirement of subsection (d) with respect to any update.

4 (f) **RULE OF CONSTRUCTION.**—Nothing in this sec-  
5 tion may be construed to limit the ability of a Government  
6 agency to impose any appropriate penalty against a large  
7 banking organization for a violation, or a pattern of re-  
8 peated violations, of applicable laws and regulations.

9 (g) **DEFINITIONS.**—In this section:

10 (1) **AFFILIATED BANKING ORGANIZATION.**—

11 The term “affiliated banking organization” means  
12 any depository institution subsidiary or affiliate of a  
13 large banking organization that has an appropriate  
14 Federal banking agency.

15 (2) **COVERED FEDERAL AGENCIES.**—The term

16 “covered Federal agencies” means the Board of  
17 Governors of the Federal Reserve System, the Bu-  
18 reau of Consumer Financial Protection, the Federal  
19 Deposit Insurance Corporation, and the Office of the  
20 Comptroller of the Currency.

21 **SEC. 2. LARGE BANKING ORGANIZATION DEFINED.**

22 In this Act, the term “large banking organization”  
23 means—

24 (1) an insured depository institution (as defined  
25 under section 3 of the Federal Deposit Insurance



1 Act) with consolidated assets greater than  
2 \$100,000,000,000; and

3 (2) a bank holding company of an insured de-  
4 pository institution described under paragraph (1).

5 **DIVISION M—ENHANCED COM-**  
6 **MUNITY INPUT ON LARGE**  
7 **BANK MERGER REVIEWS**

8 **SECTION 1. SHORT TITLE.**

9 This Act may be cited as the “Enhanced Community  
10 Input on Bank Merger Reviews Act”.

11 **SEC. 2. ENHANCED PUBLIC ENGAGEMENT FOR BANK**  
12 **MERGERS.**

13 (a) **EXTENDED PUBLIC COMMENT PERIOD.**—An ap-  
14 propriate Federal banking agency may not approve may  
15 not approve a bank merger before the end of—

16 (1) a 60-day public comment period, for a bank  
17 merger that would result in a bank or bank holding  
18 company with consolidated assets less than  
19 \$100,000,000,000; and

20 (2) a 120-day public comment period, for a  
21 bank merger that would result in a bank or bank  
22 holding company with consolidated assets greater  
23 than or equal to \$100,000,000,000.

24 (b) **PUBLIC HEARING FOR PROPOSED LARGE BANK**  
25 **MERGERS.**—

1           (1) IN GENERAL.—An appropriate Federal  
2 banking agency may not approve a bank merger that  
3 would result in a bank or bank holding company  
4 with consolidated assets greater than or equal to  
5 \$100,000,000,000 before the appropriate Federal  
6 banking agency convenes at least one public hearing  
7 on the merger.

8           (2) REQUIREMENTS.—For any public hearing  
9 convened with respect to a merger described in para-  
10 graph (1), the appropriate Federal banking agency  
11 shall allow members of the public (including employ-  
12 ees and stakeholders representing or serving affected  
13 LMI communities, communities of Black and indige-  
14 nous people of color, and other underserved commu-  
15 nities) to share views on the impact of the proposed  
16 merger that is the subject of such hearing.

17 (c) CONTINUITY OF OPERATIONS PLAN.—

18           (1) IN GENERAL.—If a merger described in  
19 subsection (b) would result in the reduction of any  
20 LMI community's access to bank branches, as meas-  
21 ured by the change in the average number of  
22 branches located within 10 miles of an LMI commu-  
23 nity, the parties to the merger shall, jointly—

1 (A) identify and make publicly available a  
2 list of bank branches that are expected to close;  
3 and

4 (B) develop a plan to ensure the continuity  
5 of services to impacted LMI communities.

6 (2) CONSULTATION.—In developing the plan  
7 under paragraph (1)(A), the parties shall consult  
8 with stakeholders representing or serving commu-  
9 nities that would be negatively impacted by the bank  
10 merger, including such stakeholders for LMI com-  
11 munities and communities of Black and indigenous  
12 people of color.

13 (3) SUBMISSION OF PLAN.—The parties shall  
14 submit a copy of the plan developed under this para-  
15 graph to the appropriate Federal banking agency of  
16 each party to the bank merger, the Committee on  
17 Financial Services of the House of Representatives,  
18 and the Committee on Banking, Housing, and  
19 Urban Affairs of the Senate.

20 (4) CONSIDERATION OF PLAN.—In determining  
21 whether to approve the bank merger, a Federal  
22 banking agency shall consider the plan submitted  
23 under this paragraph.

24 (d) EMERGENCY WAIVER.—Notwithstanding any  
25 other provision of this section, if the appropriate Federal

1 banking agency finds that an emergency exists requiring  
2 expeditious action or that the agency must act imme-  
3 diately on any bank merger application to prevent the  
4 probable failure of a bank or bank holding company in-  
5 volved in a proposed merger, the appropriate Federal  
6 banking agency may waive with the requirements of this  
7 section.

8 **SEC. 3. DATABASE OF PENDING MERGERS.**

9 The Federal banking agencies shall, jointly, establish  
10 and make available to the public a word-searchable online  
11 database of all bank merger applications that include—

12 (1) any merger application or notice materials;

13 (2) supplemental materials submitted by parties  
14 to the merger;

15 (3) written comments on such mergers sub-  
16 mitted by the public; and

17 (4) a link to an archived video of public hear-  
18 ings convened on such mergers.

19 **SEC. 4. DEFINITIONS.**

20 In this Act:

21 (1) **BANK MERGER.**—The term “bank merger”  
22 means an acquisition, merger, or consolidation with  
23 respect to a bank or bank holding company, includ-  
24 ing an acquisition by a bank holding company of a  
25 company that is not a bank under section 4(a) of

1 the Bank Holding Company Act of 1956 (12 U.S.C.  
2 1843(a)).

3 (2) LMI COMMUNITY.—The term “LMI com-  
4 munity” means a community in which predomi-  
5 nantly low- and moderate-income individuals reside.

6 (3) OTHER BANKING TERMS.—The terms “ap-  
7 propriate Federal banking agency”, “bank”, “bank  
8 holding company”, and “Federal banking agency”  
9 have the meaning given those terms under section 3  
10 of the Federal Deposit Insurance Act (12 U.S.C.  
11 1813).

## 12 **DIVISION N—CENTRAL LIQUID-** 13 **ITY FACILITY ENHANCEMENT**

### 14 **SECTION 1. SHORT TITLE.**

15 This Act may be cited as the “Central Liquidity Fa-  
16 cility Enhancement Act”.

### 17 **SEC. 2. PERMANENT EXTENSION OF ENHANCEMENTS.**

18 Effective on the date of enactment of the CARES  
19 Act—

20 (1) section 4016 of the CARES Act (12 U.S.C.  
21 1795a note) is amended by striking subsection (b);  
22 and

23 (2) section 307(a)(4)(A) of the Federal Credit  
24 Union Act (12 U.S.C. 1795f(a)(4)(A)) is amended  
25 by striking “twelve times the subscribed capital

1 stock and surplus of the Facility, provided that, the  
2 total face value of such obligations shall not exceed  
3 16 times the subscribed capital stock and surplus of  
4 the Facility for the period beginning on the date of  
5 enactment of the Coronavirus Economic Stabiliza-  
6 tion Act of 2020 and ending on December 31, 2021”  
7 and inserting “16 times the subscribed capital stock  
8 and surplus of the Facility”.

