

[DISCUSSION DRAFT]

119TH CONGRESS
1ST SESSION

H. R. _____

To require the Board of Governors of the Federal Reserve System to issue rules to establish certain methodologies and scenarios used in stress testing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To require the Board of Governors of the Federal Reserve System to issue rules to establish certain methodologies and scenarios used in stress testing, 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 “Stress Testing Ac-
5 countability and Transparency Act”.

1 **SEC. 2. RULEMAKING RELATED TO STRESS CAPITAL BUFF-**
2 **ER REQUIREMENTS.**

3 (a) IN GENERAL.—Not later than 90 days after the
4 date of the enactment of this section, the Board of Gov-
5 ernors of the Federal Reserve System (in this Act referred
6 to as the “Board”) shall issue a rule to establish any mod-
7 els, assumptions, formulas, or other decisional methodolo-
8 gies that are used to determine any component or sub-
9 component of the stress capital buffer requirement for a
10 bank holding company.

11 (b) CHANGES.—The Board may only make changes
12 to the rule issued under subsection (a) through notice and
13 comment rulemaking.

14 (c) STRESS CAPITAL BUFFER REQUIREMENT DE-
15 FINED.—In this section, the term “stress capital buffer
16 requirement” has the meaning given the term in section
17 225.8(c) of title 12 of the Code of Federal Regulations.

18 **SEC. 3. RULEMAKING RELATING TO STRESS TESTING.**

19 (a) IN GENERAL.—Beginning in the first calendar
20 year beginning after the date of the enactment of this sec-
21 tion, the Board shall, not less than 30 days before con-
22 ducting a stress test pursuant to section 165(i) of the Fi-
23 nancial Stability Act of 2010, issue a rule to establish each
24 scenario to be used in such stress test.

25 (b) PROHIBITION.—The Board may not, by rule or
26 otherwise, subject any nonbank financial company to a cli-

1 mate-related stress test using the authority provided in
2 section 165(i) of the Financial Stability Act of 2010.

3 **SEC. 4. GAO REPORT.**

4 (a) IN GENERAL.—The Comptroller General of the
5 United States shall, every 3 years, conduct a study and
6 submit a report to the Congress with respect to the stress
7 tests conducted by the Board under section 165(i) of the
8 Financial Stability Act of 2010 in the 3 most recent cal-
9 endar years.

10 (b) CONTENTS.—The report submitted to the Con-
11 gress under subsection (a) shall consider the effectiveness
12 of the stress tests in evaluating—

13 (1) the safety and soundness of the nonbank fi-
14 nancial institutions subjected to stress tests;

15 (2) the stability of the United States financial
16 system.