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115TH CONGRESS
1ST SESSION

H. R. 3179

To require the appropriate Federal banking agencies, when issuing certain prudential regulations that are substantively more stringent than a corresponding international prudential standard to publish the rationale for doing so and a cost-benefit analysis of the difference, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2017

Mr. HOLLINGSWORTH introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To require the appropriate Federal banking agencies, when issuing certain prudential regulations that are substantively more stringent than a corresponding international prudential standard to publish the rationale for doing so and a cost-benefit analysis of the difference, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Transparency and Accountability for Business Standards Act''.

SEC. 2. COST-BENEFIT ANALYSIS REQUIREMENT FOR CERTAIN PRUDENTIAL REGULATIONS.

(a) RULEMAKING REQUIREMENT.—An appropriate Federal banking agency may not adopt or otherwise establish a prudential regulation that is substantively more stringent than a corresponding international prudential standard unless the appropriate Federal banking agency publishes, for public notice and comment—

(1) a description of the agency's rationale for doing so; and

(2) a comprehensive analysis of the costs and benefits of the difference between the prudential regulation and the corresponding international prudential standard, including—

(A) any impact on the pricing and availability of credit in the aggregate and for specific types of borrowers;

(B) any impact on liquidity in markets for financial instruments in the aggregate and for specific types of instruments;

(C) any impact of doing so on the competitiveness of affected institutions; and

(D) any impact on employment, economic growth, and the execution of monetary policy.

(b) REQUIREMENTS WITH RESPECT TO SUPERSEDED PRUDENTIAL REGULATIONS.—An appropriate

Federal banking agency may not adopt or otherwise establish a prudential regulation to implement an international standard that will result in a prudential regulation that is then in effect becoming a superseded prudential regulation, unless the appropriate Federal banking agency publishes for public notice and comment—

(1) a proposal to repeal or amend the superseded prudential regulation, or applicable part thereof; or

(2) if the appropriate Federal banking agency does not propose to repeal or amend the superseded prudential regulation, or applicable part thereof, a description of the agency's rationale for not doing so, which shall include a comprehensive analysis of the incremental costs and benefits of the superseded prudential regulation after the adoption of the prudential regulation to implement an international standard.

(c) LOOKBACK REQUIREMENT.—With respect to a final rule issued by an appropriate Federal banking agency on or after January 1, 2007, but before the date of the enactment of this Act that established a prudential regulation that is substantively more stringent than a corresponding international prudential standard, or that resulted in another prudential regulation becoming a superseded prudential regulation, each appropriate Federal banking agency shall, not later than the end of the 180-day period beginning on the date of the enactment of this Act, issue a report to the Congress (and make such report available on the website of the agency) with respect to such rule, containing the description and analysis described under paragraphs (1) and (2) of subsection (a) or paragraph (2) of subsection (b), as applicable.

(d) DEFINITIONS.—For purposes of this section:

(1) APPROPRIATE FEDERAL BANKING AGENCY.—The term ''appropriate Federal banking agency'' has the meaning given that term under section 3 of the Federal Deposit Insurance Act.

(2) BANKING ORGANIZATION.—The term ''banking organization'' means a depository institution or a depository institution holding company, as such terms are defined, respectively, under section 3 of the Federal Deposit Insurance Act.

(3) CORRESPONDING INTERNATIONAL PRUDENTIAL STANDARD.—The term ''corresponding international prudential standard'' means an international prudential standard on which a prudential regulation is based, from which a prudential regulation is derived, or to which a prudential regulation is otherwise substantively similar.

(4) PRUDENTIAL REGULATION.—The term "prudential regulation" means any rule or regulation relating to capital requirements, leverage requirements, liquidity requirements, or any similar requirements, including any rule or regulation that imposes any minimum requirement on a banking organization's amount of capital, debt, or liquid assets, either in absolute terms or as a ratio of any measure of assets, exposures, or cash inflows and outflows, or that conditions the ability of a banking organization to take any action or imposes any requirement based on any absolute or proportional measure of capital, leverage, debt, or liquidity.

(5) PRUDENTIAL REGULATION TO IMPLEMENT AN INTERNATIONAL STANDARD.—The term "prudential regulation to implement an international standard" means a prudential regulation that is based on, derived from, or otherwise substantively similar to an international prudential standard.

(6) INTERNATIONAL PRUDENTIAL STANDARD.—The term "international prudential standard" means any standard that has been adopted by an international institution comprised of an appropriate Federal banking agency and banking supervisors or central banks of jurisdictions other than the United

States, including the Basel Committee on Banking Supervision and the Financial Stability Board, relating to capital requirements, leverage requirements, liquidity requirements, or any similar requirements, including any standard that contemplates minimum requirements on a banking organization's amount of capital, debt, or liquid assets, either in absolute terms or as a ratio of any measure of assets, exposures, or cash inflows and outflows, or that contemplates conditioning the ability of a banking organization to take any action or imposing any requirement based on any measure of capital, leverage, debt, or liquidity.

(7) SUPERSEDED PRUDENTIAL REGULATION.—The term ''superseded prudential regulation'' means a prudential regulation, with respect to which a prudential regulation to implement an international standard addresses or would address the same or similar risks or otherwise achieves or would achieve the same or similar goals.

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