

[DISCUSSION DRAFT]

116TH CONGRESS
1ST SESSION

H. R. _____

To require the prudential banking regulators to provide annual testimony to Congress on their supervision and regulation activities, 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 prudential banking regulators to provide annual testimony to Congress on their supervision and regulation activities, 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 “Prudential Regulator
5 Oversight Act”.

1 **SEC. 3. ANNUAL TESTIMONY OF PRUDENTIAL REGU-**
2 **LATORS.**

3 (a) IN GENERAL.—The Dodd-Frank Wall Street Re-
4 form and Consumer Protection Act (12 U.S.C. 5301 et
5 seq.) is amended by adding at the end of title VI the fol-
6 lowing:

7 **“SEC. 629. ANNUAL TESTIMONY OF PRUDENTIAL REGU-**
8 **LATORS.**

9 “(a) SEMI-ANNUAL REPORT.—

10 “(1) IN GENERAL.—The prudential regulators
11 shall each issue a semi-annual report to the Com-
12 mittee on Banking, Housing, and Urban Affairs of
13 the Senate and the Committee on Financial Services
14 of the House of Representatives regarding the ef-
15 forts, activities, objectives, and plans of the regu-
16 lator with respect to the conduct of supervision and
17 regulation of depository institution holding compa-
18 nies, depository institutions, and credit unions.

19 “(2) SPECIFIC CONTENTS.—Each report re-
20 quired under paragraph (1) shall include a descrip-
21 tion of—

22 “(A) the safety and soundness of deposi-
23 tory institution holding companies, depository
24 institutions, and credit unions, including cap-
25 ital, liquidity, leverage, stress testing, and living
26 wills, as applicable;

1 “(B) the examination and supervision of
2 depository institution holding companies, depository
3 institutions, and credit unions, particularly G-SIBs, including a detailed description of
4 enforcement actions taken during the reporting
5 period, and a description of the regulator’s exercise of all available tools beyond imposing
6 fines to ensure compliance with all applicable
7 laws and regulations, as well as actions to ensure
8 accountability for culpable executives;
9

10 “(C) emerging risks that may affect depository
11 institutions and potential threats to the financial
12 stability of the United States, and any
13 actions the regulator took in coordination with
14 the Office of Financial Research, to identify
15 and mitigate those threats;
16

17 “(D) any recent actions taken by the regulator
18 as a voting member of the Financial Stability
19 Oversight Council and any updates related to
20 authorities the regulator has under title
21 I or title VIII of this Act with respect to enhanced
22 prudential standards and supervision of
23 large bank holding companies and firms designated
24 by the Financial Stability Oversight
25 Council;

1 “(E) the implementation of the regulator’s
2 diversity and inclusion efforts, including its im-
3 plementation of section 342 of this Act and the
4 regulator’s compliance with section 308 of the
5 Financial Institutions Reform, Recovery, and
6 Enforcement Act of 1989 with respect to mi-
7 nority depository institutions;

8 “(F) the implementation of the Community
9 Reinvestment Act of 1977, including informa-
10 tion on examinations, guidance, and regula-
11 tions;

12 “(G) executive compensation for depository
13 institution holding companies, depository insti-
14 tutions, and credit unions regulated by the reg-
15 ulator, including—

16 “(i) the status of implementing sec-
17 tion 956 of this Act; and

18 “(ii) after such section is imple-
19 mented, the impact of such section in ful-
20 filling the purpose of this Act;

21 “(H) an overview of the mergers and ac-
22 quisitions process, including data and descrip-
23 tions of any mergers and acquisitions approved
24 during the reporting period;

1 “(I) examinations for Bank Secrecy Act
2 and anti-money laundering compliance, as well
3 as coordination with the Financial Crimes En-
4 forcement Network and appropriate commu-
5 nication with depository institutions and credit
6 unions;

7 “(J) the utilization of financial technology
8 as it relates to depository institution holding
9 companies, depository institutions, and credit
10 unions regulated by the regulator, including the
11 use of various technologies by depository insti-
12 tutions and credit unions as well as partner-
13 ships with third-party companies; and

14 “(K) cybersecurity of depository institution
15 holding companies, depository institutions, and
16 credit unions, including steps taken to enhance
17 cyber readiness and strengthen the protection
18 of consumer data.

19 “(b) TESTIMONY.—

20 “(1) IN GENERAL.—The prudential regulators
21 shall each appear before the Committee on Banking,
22 Housing, and Urban Affairs of the Senate and the
23 Committee on Financial Services of the House of
24 Representatives at an annual hearing to testify with
25 respect to the reports required under subsection (a).

1 “(2) VICE CHAIRMAN FOR SUPERVISION.—The
2 Vice Chairman for Supervision of the Board of Gov-
3 ernors shall appear before the Committee on Bank-
4 ing, Housing, and Urban Affairs of the Senate and
5 the Committee on Financial Services of the House of
6 Representatives at an semiannual hearing to testify
7 with respect to the reports required under subsection
8 (a). Any such appearance shall satisfy the require-
9 ments of section 10(12) of the Federal Reserve Act.

10 “(c) DEFINITIONS.—In this section:

11 “(1) BANK SECRECY ACT.—The term ‘Bank Se-
12 crecy Act’ means—

13 “(A) section 21 of the Federal Deposit In-
14 surance Act;

15 “(B) chapter 2 of title I of Public Law 91–
16 508; and

17 “(C) subchapter II of chapter 53 of title
18 31, United States Code;

19 “(2) G-SIB.—The term ‘G-SIB’ means a global
20 systemically important bank holding company, as
21 such term is defined under section 217.402 of title
22 12, Code of Federal Regulations.

23 “(3) PRUDENTIAL REGULATORS.—The term
24 ‘prudential regulators’ means the Vice Chairman for
25 Supervision of the Board of Governors, the Comp-

1 troller of the Currency, the Chairperson of the Cor-
2 poration, and the Chairman of the National Credit
3 Union Administration Board.”.

4 (b) CLERICAL AMENDMENT.—The table of contents
5 under section 1(b) of the Dodd-Frank Wall Street Reform
6 and Consumer Protection Act is amended by inserting
7 after the item relating to section 628 the following:

“Sec. 629. Annual testimony of prudential regulators.”.