

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3379
OFFERED BY MR. FITZGERALD OF WISCONSIN**

Strike all after the enacting clause and insert the
following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Halting Uncertain
3 Methods and Practices in Supervision Act of 2025” or the
4 “HUMPS Act of 2025”.

5 SEC. 2. FINDINGS.

6 Congress finds that—

7 (1) CAMELS ratings (Capital adequacy, Asset
8 quality, Management, Earnings, Liquidity, and Sen-
9 sitivity to market risk) are a critical tool for evalu-
10 ating the safety and soundness of financial institu-
11 tions, and the basis for determining significant regu-
12 latory matters such as the evaluation for mergers
13 and acquisitions and a bank’s deposit insurance pre-
14 miums;

15 (2) the CAMELS rating system relies heavily
16 on examiner judgment, which can lead to subjective
17 and inconsistent ratings across similar institutions;

1 (3) establishing clear, objective measures for
2 each CAMELS component and their relative
3 weighting in determining composite ratings will pro-
4 mote fairness, consistency, and accountability in su-
5 pervisory assessments; and

6 (4) examination and supervision, as well as the
7 CAMELS rating system, should focus on a financial
8 institution's core financial condition or solvency.

9 **SEC. 3. AMENDMENTS TO THE CAMELS RATING SYSTEM.**

10 (a) IN GENERAL.—The Federal Financial Institu-
11 tions Examination Council Act of 1978 (12 U.S.C. 3301
12 et seq.) is amended by adding at the end the following:

13 **“SEC. 1012. AMENDMENTS TO THE CAMELS RATING SYS-**
14 **TEM.**

15 “(a) IN GENERAL.—The Council shall make rec-
16 ommendations to amend the Uniform Financial Institu-
17 tions Rating System, and the CAMELS components there-
18 under, to—

19 “(1) establish clear and objective criteria for as-
20 sessing each CAMELS component;

21 “(2) revise the factors affecting each CAMELS
22 component to derive a composite rating that more
23 accurately reflects the financial condition and risk
24 profile of the financial institutions being rated;

25 “(3) either—

1 “(A) eliminate the management component
2 of the CAMELS rating system; or

3 “(B) revise the management component of
4 the CAMELS rating system to limit the assess-
5 ment under such component to objective meas-
6 ures of the governance and controls used to
7 manage an institution’s risk profile;

8 “(4) ensure that composite ratings consider the
9 financial institution’s compliance with—

10 “(A) section 21 of the Federal Deposit In-
11 surance Act (12 U.S.C. 1829b);

12 “(B) chapter 2 of title I of Public Law 91-
13 508 (12 U.S.C. 1951 et seq.);

14 “(C) subchapter II of chapter 53 of title
15 31, United States Code; and

16 “(D) any other applicable requirements
17 and implementing regulations relating to the
18 prevention of money laundering and terrorist fi-
19 nancing; and

20 “(5) ensure that composite ratings are deter-
21 mined based on a transparent methodology that is
22 limited to the objective criteria established for each
23 CAMELS component.

24 “(b) RULEMAKING.—Not later than 12 months after
25 the Council makes the recommendations required under

1 subsection (a), the Federal financial institutions regu-
2 latory agencies shall, jointly, issue rules to carry out the
3 recommendations described under subsection (a).

4 “(c) PUBLIC COMMENT PERIOD.—In issuing the
5 rules required under subsection (b), the Federal financial
6 institutions regulatory agencies shall—

7 “(1) publish a notice of proposed rulemaking
8 with respect to such rules; and

9 “(2) provide for a public comment period of not
10 less than 90 days.

11 “(d) RULE OF CONSTRUCTION.—Nothing in this sec-
12 tion may be construed to limit the authority of the Federal
13 financial institutions regulatory agencies to take super-
14 visory or enforcement actions to ensure the safety and
15 soundness of financial institutions.”.

16 (b) WELL MANAGED DEFINITION.—Section
17 2(o)(9)(A) of the Bank Holding Company Act of 1956 (12
18 U.S.C. 1841(o)(9)(A)) is amended—

19 (1) by striking “achievement of” and all that
20 follows through “a CAMEL” and inserting “achieve-
21 ment of a CAMEL”;

22 (2) by striking “; and” and inserting a period;
23 and

24 (3) by striking clause (ii).

