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(Original Signature of Member)

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

Mr. HUIZENG 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) NO DOUBLE-COUNT.—The Board shall ensure no
15 double-count of capital requirements for the same risks
16 in the stress capital buffer requirement and the risk-based
17 capital requirements.

18 (d) STRESS CAPITAL BUFFER REQUIREMENT DE-
19 FINED.—In this section, the term “stress capital buffer
20 requirement” has the meaning given the term in section
21 225.8(d) of title 12 of the Code of Federal Regulations.

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

23 (a) IN GENERAL.—Beginning in the first calendar
24 year beginning after the date of the enactment of this sec-
25 tion, the Board shall, not less than 60 days before con-
26 ducting a stress test pursuant to section 165(i) of the Fi-

1 nancial Stability Act of 2010, issue a rule to establish each
2 scenario to be used in such stress test.

3 (b) PROHIBITION.—The Board may not, by rule or
4 otherwise, subject any nonbank financial company to a cli-
5 mate-related stress test using the authority provided in
6 section 165(i) of the Financial Stability Act of 2010.

7 **SEC. 4. GAO REPORT.**

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

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

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

19 (2) the stability of the United States financial
20 system.