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(Original Signature of Member)

115TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To require the appropriate Federal banking agencies to increase the risk-sensitivity of the capital treatment of certain centrally cleared options, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. HULTGREN introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To require the appropriate Federal banking agencies to increase the risk-sensitivity of the capital treatment of certain centrally cleared options, 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 “Options Markets Sta-  
5 bility Act”.

1 **SEC. 2. CREDIT EXPOSURE FOR GUARANTEES OF CEN-**  
2 **TRALLY CLEARED OPTIONS.**

3 (a) DEFINITIONS.—In this section, the terms “affil-  
4 iate”, “appropriate Federal banking agency”, “depository  
5 institution”, and “depository institution holding company”  
6 have the meanings given those terms, respectively, in sec-  
7 tion 3 of the Federal Deposit Insurance Act (12 U.S.C.  
8 1813).

9 (b) TREATMENT OF CERTAIN CENTRALLY CLEARED  
10 OPTION DERIVATIVES EXPOSURES.—For purposes of cal-  
11 culating the counterparty credit risk exposure of a deposi-  
12 tory institution, depository institution holding company, or  
13 affiliate thereof, to a client arising from a guarantee pro-  
14 vided by the depository institution, depository institution  
15 holding company, or affiliate thereof to a central  
16 counterparty in respect of the client’s performance under  
17 a derivative contract cleared through that central  
18 counterparty pursuant to the risk-based and leverage-  
19 based capital rules applicable to depository institutions  
20 and depository institution holding companies under parts  
21 3, 217, and 324 of title 12, Code of Federal Regulations,  
22 the term “effective notional principal amount” with re-  
23 spect to such centrally cleared derivative contract means  
24 the hypothetical on-balance sheet position in the under-  
25 lying asset that would evidence the same change in fair

1 value (measured in dollars) given a small change in the  
2 price of the underlying asset.

3 (c) CALCULATION OF EXPOSURE FOR CENTRALLY  
4 CLEARED DERIVATIVES.—For purposes of calculating the  
5 counterparty credit risk exposure of a depository institu-  
6 tion, depository institution holding company, or affiliate  
7 thereof to a client arising from a guarantee provided by  
8 the depository institution, depository institution holding  
9 company, or affiliate thereof to a central counterparty in  
10 respect of the client’s performance under a derivative con-  
11 tract cleared through that central counterparty pursuant  
12 to the risk-based and leverage-based capital rules applica-  
13 ble to depository institutions and depository institution  
14 holding companies under parts 3, 217 and 324 of title 12,  
15 Code of Federal Regulations, the offsetting nature of sig-  
16 nificantly and reliably correlated positions within a netting  
17 set must be reflected in a manner consistent with the risk  
18 offsets provided by the central counterparty.