JULY 16, 2026

RULES COMMITTEE PRINT 119–35

TEXT OF H.R. 6955, THE MAIN STREET CAPITAL ACCESS ACT

[Showing the text of H.R. 6955, as reported by the Committee on Financial Services, with modifications]

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Main Street Capital Access Act" or the "Main Street Act".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—NEW BANK FORMATION AND LOCAL COMMUNITY ACCESS

SEC. 101. PROMOTING NEW BANK FORMATION.

Section 908 of the 21st Century ROAD to Housing Act is amended—

(1) in subsection (b)(2), by striking ‘‘180-day’’ and inserting ‘‘90-day’’;

(2) in subsection (c)—

(A) in the heading, by inserting ‘‘AND EXTENSION’’ after ‘‘STUDY’’;

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

"(2) SAFETY AND SOUNDNESS DETERMINATION; EXTENSION OF PILOT PROGRAM.—

"(A) DETERMINATION.—Not earlier than January 1, 2031, and not later than June 30, 2031, the Federal banking agencies may, jointly, determine that subsections (a) and (b) have had a significant adverse effect on the safety and soundness of qualifying community banks.

"(B) EXTENSION.—Unless the Federal banking agencies make the determination described in subparagraph (A), the authorities under subsections (a) and (b) shall be permanent.

"(C) TERMINATION.—If the Federal banking agencies make the determination described in subparagraph (A)—

"(i) subsections (a) and (b) shall only apply to a qualifying community bank that became an insured depository institution before the date of such determination; and "(ii) the Federal banking agencies shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, and make such report available to the public, containing such determination and the reasons for such determination."; and

(3) in subsection (e)(6)(B), by striking "between January 1, 2026, and December 31, 2028" and inserting "on or after January 1, 2026".

SEC. 102. NEW BANK APPLICATION NUMBERS KNOWLEDGE.

(a) ANNUAL REPORT ON NATIONAL BANK AND FEDERAL SAVINGS ASSOCIATION CHARTER APPLICATIONS.—The Comptroller of the Currency shall publish an annual report that includes the following, or with respect to any equivalent procedure used by the Office of the Comptroller of the Currency includes the following:

(1) The number of applications for a national bank or Federal savings association charter received, approved on a preliminary basis, approved on a final basis, denied, withdrawn, inactive, expired, mooted, returned, returned pending resubmission, or otherwise dispositioned.

(2) The mean and median times for preliminary approval of such applications.

(3) The mean and median times for final approval of such applications.

(4) To the extent practicable, common reasons leading to the denial, withdrawal, or expiration of preliminary approval of such applications.

(b) ANNUAL REPORT ON FEDERAL CREDIT UNION CHARTER APPLICATIONS.—The National Credit Union Administration shall publish an annual report that includes the following, or with respect to any equivalent procedure used by the agency includes the following:

(1) The number of Federal credit union charter applications received, approved on a final basis, denied, withdrawn, inactive, or returned pending resubmission.

(2) The mean and median times for final approval of such applications.

(3) To the extent practicable, common reasons leading to application denial, withdrawal, inactivity, or to applications being returned for resubmission.

(c) ANNUAL REPORT ON DEPOSITORY INSTITUTION HOLDING COMPANY APPLICATIONS.—

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System shall publish an annual

report that includes the following, or with respect to any equivalent procedure used by the Board of Governors includes the following:

(A) The number of applications to become a top-tier depository institution holding company received, approved on a preliminary basis, approved on a final basis, denied, withdrawn, inactive, expired, mooted, returned, returned pending resubmission, or otherwise dispositioned.

(B) The mean and median times to approve such applications.

(C) To the extent practicable, common reasons leading to denial or withdrawal of such applications.

(2) TOP-TIER DEPOSITORY INSTITUTION HOLDING COMPANY DEFINED.—In this subsection, the term ''top-tier depository institution holding company'' means a depository institution holding company (as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813)) that is not controlled by any other depository institution holding company.

(d) ANNUAL REPORT ON FEDERAL DEPOSIT INSURANCE APPLICATIONS.—The Federal Deposit Insurance

Corporation shall publish an annual report that includes the following, or with respect to any equivalent procedure used by the Corporation includes the following:

(1) The number of applications for deposit insurance received, approved on a preliminary basis, approved on a final basis, denied, withdrawn, inactive, expired, mooted, returned, returned pending resubmission, or otherwise dispositioned.

(2) The mean and median times to approve such applications.

(3) To the extent practicable, common reasons leading to denial or withdrawal of such applications.

(e) ANNUAL REPORT ON STATE DEPOSITORY INSTITUTION AND STATE CREDIT UNION CHARTER APPLICATIONS.—

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board shall, jointly, and in consultation with State banking regulators and State credit union regulators, publish an annual report that includes the following, or with respect to any equivalent procedure used by such agencies includes the following:

(A) The number of applications for a State depository institution charter received, approved on a preliminary basis, approved on a final basis, denied, withdrawn, inactive, expired, mooted, returned, returned pending resubmission, or otherwise dispositioned.

(B) The mean and median times to approve such applications, with times for each State shown separately.

(C) To the extent practicable, common reasons leading to denial or withdrawal of such applications.

(2) DEFINITIONS.—In this subsection:

(A) STATE.—The term "State" means any State of the United States, the District of Columbia, and any territory of the United States.

(B) STATE DEPOSITORY INSTITUTION.—The term "State depository institution" means—

(i) a State depository institution, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(ii) a State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

SEC. 103. CDFI FUND TRANSPARENCY.

Section 104(b) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4703(b)) is amended by adding to the end the following:

"(5) ANNUAL TESTIMONY.—The Secretary of the Treasury (or a designee of the Secretary) shall, at the discretion of the Chair of the Committee on Financial Services of the House of Representatives and the Chair of the Committee on Banking, Housing, and Urban Affairs of the Senate, annually testify before such committees (or a subcommittee of such committees) regarding—

"(A) the operations of the Fund during the previous year;

"(B) steps the Secretary and the Fund are taking to support community development financial institutions through the financial agent mentor-protégé program; and

"(C) steps the Secretary and the Fund are taking to coordinate with regulators to ensure certification and reporting requirements are appropriately streamlined for community development financial institutions.".

SEC. 104. CDFI BOND GUARANTEE IMPROVEMENT.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the authority to guarantee bonds under section 114A of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4713a) (commonly referred to as the "CDFI Bond Guarantee Program") provides community development financial institutions with a sustainable source of long-term capital and furthers the mission of the Community Development Financial Institutions Fund (established under section 104(a) of such Act (12 U.S.C. 4703(a))) to increase economic opportunity and promote community development investments for underserved populations and distressed communities in the United States.

(b) GUARANTEES FOR BONDS AND NOTES ISSUED FOR COMMUNITY OR ECONOMIC DEVELOPMENT PURPOSES.—

(1) IN GENERAL.—Section 114A of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4713a) is amended—

(A) in subsection (c)(2)—

(i) by striking ", multiplied by an amount equal to the outstanding principal balance of issued notes or bonds"; and

(ii) by inserting "outstanding" before "principal amount";

(B) by amending subsection (e)(2) to read as follows:

"(2) LIMITATION ON GUARANTEE AMOUNT.—The Secretary may not guarantee any amount under the Program equal to an amount less than $25,000,000, but the total of all such guarantees in any fiscal year may not exceed $1,000,000,000.";

(C) in subsection (g)(1), by striking "10 basis points" and inserting "not fewer than 10 basis points and not more than 15 basis points"; and

(D) in subsection (k), by striking "September 30, 2014" and inserting "December 31, 2028".

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Riegle Community Development and Regulatory Improvement Act of 1994 (Public Law 103–325; 108 Stat. 2160) is amended by inserting after the item relating to section 114 the following:

"Sec. 114A. Guarantees for bonds and notes issued for community or economic development purposes.".

(c) REPORT ON THE CDFI BOND GUARANTEE PROGRAM.—Not later than 3 years after the date of enactment of this Act, the Secretary of the Treasury shall issue a report to the Committee on Banking, Housing, and Urban

Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the effectiveness of the CDFI bond guarantee program established under section 114A of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4713a).

TITLE II—TAILORING BANK REGULATION

SEC. 201. TAKING ACCOUNT OF INSTITUTIONS WITH LOW OPERATION RISK.

(a) TAILORING REGULATION TO BUSINESS MODEL AND RISK.—

(1) DEFINITIONS.—In this subsection—

(A) the term "Federal financial institutions regulatory agency" means the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Bureau of Consumer Financial Protection; and

(B) the term "regulatory action"—

(i) means any proposed, interim, or final rule or regulation; and

(ii) does not include any action taken by a Federal financial institutions regulatory agency that is solely applicable to an individual institution, including an enforcement action, adjudication, or order.

(2) CONSIDERATION AND TAILORING.—For any regulatory action occurring after the date of enactment of this Act, each Federal financial institutions regulatory agency shall—

(A) take into consideration the risk profile and business models of each type of institution or class of institutions subject to the regulatory action; and

(B) tailor the regulatory action applicable to a class or type of institution in a manner that limits the regulatory impact, including cost, human resource allocation, and other burdens, on the institution or type of institution as is appropriate for the risk profile and business model involved.

(3) FACTORS TO CONSIDER.—In carrying out the requirements of paragraph (2) with respect to a regulatory action, each Federal financial institutions regulatory agency shall consider—

(A) the aggregate effect of all applicable regulatory actions promulgated by such agency on the ability of institutions to flexibly serve customers of the institutions and local markets on and after the date of enactment of this Act;

(B) the potential that efforts to implement the regulatory action and third-party service provider actions may work to undercut efforts to tailor the regulatory action, as described in paragraph (2)(B); and

(C) the statutory provision authorizing the regulatory action, the congressional intent with respect to the statutory provision, and the underlying policy objectives of the regulatory action.

(4) NOTICE OF PROPOSED AND FINAL RULEMAKING.—Each Federal financial institutions regulatory agency shall disclose and document in every notice of proposed rulemaking and in any final rulemaking for a regulatory action how the agency has applied paragraphs (2) and (3).

(5) REPORTS TO CONGRESS.—

(A) AGENCY REPORTING.—Not later than 1 year after the date of enactment of this Act and annually thereafter, each Federal financial institutions regulatory agency shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the specific actions taken to tailor the regulatory actions of the Federal financial institutions regulatory agency pursuant to the requirements of this section.

(B) GAO REPORTING.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report evaluating the effects of this section on the factors described in paragraph (3).

(b) SHORT-FORM CALL REPORTS FOR ALL BANKS ELIGIBLE FOR THE COMMUNITY BANK LEVERAGE RATIO.—The appropriate Federal banking agencies, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813), shall establish a reduced reporting requirement for all banks eligible for the Community Bank Leverage Ratio, as defined in section 201(a) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (12 U.S.C. 5371 note), when making the first and third report of condition of a year as required by section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)).

(c) REPORT TO CONGRESS ON MODERNIZATION OF SUPERVISION.—Not later than 18 months after the date of enactment of this Act, the appropriate Federal banking agencies, as defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813), in consultation with State bank supervisors, shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on the modernization of bank supervision, including the following factors:

(1) Changing bank business models.

(2) Examiner workforce and training.

(3) The structure of supervisory activities within banking agencies.

(4) Improving bank-supervisor communication and collaboration.

(5) The use of supervisory technology.

(6) Supervisory factors uniquely applicable to community banks.

(7) Changes in statutes necessary to achieve more effective supervision.

SEC. 202. SMALL BANK HOLDING COMPANY RELIEF.

Not later than 180 days after the date of the enactment of this Act, the Board of Governors of the Federal Reserve System shall revise appendix C to part 225 of title 12, Code of Federal Regulations (commonly known as the ‘‘Small Bank Holding Company and Savings and Loan Holding Company Policy Statement’’), to raise the consolidated asset threshold under that appendix to $6,000,000,000 for any bank holding company or savings and loan holding company.

SEC. 203. TAILORING AND INDEXING ENHANCED REGULATIONS.

(a) PERIODIC ADJUSTMENTS TO THRESHOLDS.—The Financial Stability Act of 2010 (12 U.S.C. 5311 et seq.) is amended by adding at the end the following:

‘‘SEC. 177. PERIODIC ADJUSTMENTS TO THRESHOLDS.

‘‘(a) IN GENERAL.—

‘‘(1) ADJUSTMENT.—Not later than 1 year after the date of enactment of this section, and every 5 years thereafter, the Board of Governors shall increase each threshold described in subsection (b) by the ratio, if greater than 1, of the annual value of the economic indicator selected by the Board of Governors as appropriate for that threshold under paragraph (2)(B) for the calendar year preceding the year in which the adjustment is calculated under this section, to the published annual value of such economic indicator for the calendar year preceding April 1, 2026.

"(2) SELECTION OF ECONOMIC INDICATORS.—Not later than 3 months after the date of enactment of this section, the Board of Governors shall—

"(A) complete a study on the advantages and disadvantages of the use of either nominal United States gross domestic product (as published by the Department of Commerce) or the Consumer Price Index (as published by the Department of Labor) to adjust periodically the quantitative regulatory thresholds described in subsection (b);

"(B) for each threshold described in subsection (b), select either nominal United States gross domestic product (as published by the Department of Commerce) or the Consumer Price Index (as published by the Department of Labor) as appropriate for adjusting such threshold;

"(C) transmit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

"(i) all findings and determinations made in carrying out the study required under subparagraph (A); and

"(ii) all selections made under subparagraph (B).

"(b) COVERED THRESHOLDS.—The thresholds described in this subsection are the following:

"(1) Each bank holding company or savings and loan holding company total consolidated asset amount in the second subsection (s) (relating to assessments) of section 11 of the Federal Reserve Act.

"(2) Each bank holding company total consolidated asset amount in—

"(A) sections 116(a), 121(a), 163(b), 164, 165(a)(1), 165(h)(2), 165(j)(1) of this Act; and

"(B) section 401(f) of the Economic Growth, Regulatory Relief, and Consumer Protection Act.

"(3) Each financial company total consolidated asset amount in section 165(i)(2)(A) of this Act.

"(c) CURRENCY OF INFORMATION.—The values used in the calculation under subsection (a) shall be, as of the date of the calculation, the values most recently published by the Department of Commerce or Department of Labor, as appropriate.

"(d) ROUNDING.—

"(1) If any amount equal to or greater than $100,000,000,000 determined under subsection (a) for any period is not a multiple of $50,000,000,000, the amount shall be rounded up to the nearest $50,000,000,000.

"(2) If any amount less than $100,000,000,000 determined under subsection (a) for any period is not a multiple of $5,000,000,000, the amount shall be rounded up to the nearest $5,000,000,000.

"(e) PUBLICATION.—Not later than April 5 of any calendar year in which an adjustment is required to be calculated under subsection (a), the Board of Governors shall publish in the Federal Register the amounts as so calculated.

"(f) IMPLEMENTATION PERIOD.—Any increase in amounts determined under subsection (a) shall take effect on January 1 of the year immediately succeeding the calendar year in which the increase is required to be calculated under subsection (a).

"SEC. 178. PERIODIC ADJUSTMENTS TO THRESHOLDS ESTABLISHED BY RULE.

"(a) AGENCY REVIEW.—Not later than June 30, 2026, and the 1st day of each subsequent 5-year period, the Board of Governors, the Comptroller of the Currency, and the Corporation shall, to the extent applicable, review—

"(1) any regulation—

"(A) implementing section 165 of this Act; or

"(B) making specific cross-reference to any regulation of the Board of Governors implementing section 165 of this Act; and

"(2) any asset threshold or other quantitative threshold in such regulations implementing section 165 of this Act, or in such regulations making specific cross-reference to any regulation of the Board of Governors implementing section 165 of this Act, the amount of which is not prescribed by statute.

"(b) MODIFICATIONS REQUIRED.—The Board of Governors, the Comptroller of the Currency, and the Corporation shall modify any such thresholds identified by each review conducted under subsection (a) by the ratio, if greater than 1, of the annual value of the economic indicator selected by the agency as appropriate for that threshold under paragraph (1) for the calendar year preceding the year in which the adjustment is calculated under this section, to the published annual value of such economic indicator for the calendar year preceding the effective date of such threshold, as each respective agency shall determine as appropriate for such regulations. In making such determination, the Board of Governors, the Comptroller of the Currency, and the Corporation shall—

"(1) not later than 3 months after the date of enactment of this subsection, for each threshold identified by each review conducted under subsection (a), select either nominal United States gross domestic product (as published by the Department of Commerce) or the Consumer Price Index (as published by the Department of Labor) as appropriate for adjusting such threshold, and use the values of such selected economic indicator most recently published as of the date of commencement of the review to compute the ratio described in this subsection;

"(2) seek to establish, to the extent feasible, uniform thresholds for use by each such agency, taking into account the entities regulated by each such agency and the purposes for which such threshold was established; and

"(3) seek to adjust such thresholds, to the extent feasible, with rounding consistent with section 177(d) of this Act.

"(c) REPORT.—Upon conclusion of each review required under subsection (a), each of the Board of Governors, the Comptroller of the Currency, and the Corporation shall transmit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing a description of any modification of any regulation such agency made pursuant to subsection (b).".

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is amended by inserting after the item relating to section 176 the following:

"Sec. 177. Periodic adjustments to thresholds.
"Sec. 178. Periodic adjustments to thresholds established by rule.".

SEC. 204. COMMUNITY BANK REGULATORY TAILORING.

(a) PERIODIC ADJUSTMENTS TO THRESHOLDS.—

(1) IN GENERAL.—

(A) ADJUSTMENT.—By April 1, 2031, and the 1st day of each subsequent 5-year period, the Board of Governors of the Federal Reserve System shall prescribe the amount by which each dollar amount described in subsection (b) shall be increased by the ratio, if greater than

1, of the annual value of the economic indicator selected by the Board of Governors of the Federal Reserve System as appropriate for that dollar amount under subparagraph (B) for the calendar year preceding the year in which the adjustment is calculated under this section, to the published annual value of such economic indicator for the calendar year preceding April 1, 2026.

(B) SELECTION OF ECONOMIC INDICATORS.—Not later than 3 months after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall—

(i) complete a study on the advantages and disadvantages of the use of either nominal United States gross domestic product (as published by the Department of Commerce) or the Consumer Price Index (as published by the Department of Labor) to adjust periodically the dollar amounts described in subsection (b);

(ii) for each dollar amount described in subsection (b), select either nominal United States gross domestic product (as published by the Department of Commerce) or the Consumer Price Index (as published by the Department of Labor) as appropriate for adjusting such dollar amount;

(iii) transmit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

(I) all findings and determinations made in carrying out the study required under clause (i); and

(II) all selections made under clause (ii).

(2) CURRENCY OF INFORMATION.—The values used in the calculation under paragraph (1) shall be, as of the date of the calculation, the values most recently published by the Department of Commerce or Department of Labor, as appropriate.

(3) ROUNDING.—

(A) If any amount equal to or greater than $100,000,000,000 determined under paragraph (1) for any period is not a multiple of $50,000,000,000, the amount shall be rounded up to the nearest $50,000,000,000.

(B) If any amount less than $100,000,000,000 but equal to or greater than $10,000,000,000 determined under paragraph (1) for any period is not a multiple of $5,000,000,000, the amount shall be rounded up to the nearest $5,000,000,000.

(C) If any amount less than $10,000,000,000 but equal to or greater than $1,000,000,000 determined under paragraph (1) for any period is not a multiple of $500,000,000, the amount shall be rounded up to the nearest $500,000,000.

(D) If any amount less than $1,000,000,000 but equal to or greater than $100,000,000 determined under paragraph (1) for any period is not a multiple of $50,000,000, the amount shall be rounded up to the nearest $50,000,000.

(E) If any amount less than $100,000,000 but equal to or greater than $10,000,000 determined under paragraph (1) for any period is not a multiple of $5,000,000, the amount shall be rounded up to the nearest $5,000,000.

(F) If any amount less than $10,000,000 but equal to or greater than $1,000,000 determined under paragraph (1) for any period is not a multiple of $500,000, the amount shall be rounded up to the nearest $500,000.

(G) If any amount less than $1,000,000 but equal to or greater than $100,000 determined under paragraph (1) for any period is not a multiple of $50,000, the amount shall be rounded up to the nearest $50,000.

(H) If any amount less than $100,000 but equal to or greater than $10,000 determined under paragraph (1) for any period is not a multiple of $5,000, the amount shall be rounded up to the nearest $5,000.

(I) If any amount less than $10,000 but equal to or greater than $1,000 determined under paragraph (1) for any period is not a multiple of $500, the amount shall be rounded up to the nearest $500.

(J) If any amount less than $1,000 but equal to or greater than $100 determined under paragraph (1) for any period is not a multiple of $50, the amount shall be rounded up to the nearest $50.

(K) If any amount less than $100 but equal to or greater than $10 determined under paragraph (1) for any period is not a multiple of $5, the amount shall be rounded up to the nearest $5.

(L) If any amount less than $10 but equal to or greater than $1 determined under paragraph (1) for any period is not a multiple of $0.50, the amount shall be rounded up to the nearest $0.50.

(4) PUBLICATION.—Not later than April 5 of any calendar year in which an adjustment is required to be calculated under paragraph (1), the Board of Governors of the Federal Reserve System shall publish in the Federal Register the dollar amounts as so calculated.

(5) IMPLEMENTATION PERIOD.—The increase in the dollar amounts shall take effect on January 1 of the year immediately succeeding any calendar year in which an adjustment is required to be calculated under paragraph (1).

(b) DOLLAR AMOUNTS.—The dollar amounts described in this subsection are the dollar amounts described in each of the following:

(1) Section 5(c)(3)(C)(ii) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)(3)(C)(ii)).

(2) Section 809(a) of the Community Reinvestment Act of 1977 (12 U.S.C. 2908(a)).

(3) Sections 202(4), 203(1), and 204 of the Depository Institution Management Interlocks Act (12 U.S.C. 3201 et seq.).

(4) Sections 210(o), 210(r)(1)(A)(i), and section 956(f) Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5301 et seq.).

(5) Sections 202(a)(6), 202(b)(1)(A), 202(c)(1)(A)(iii), 216(b)(2)(B)(iii)(II), 216(f)(2), 216(i)(4)(B), 216(j)(2)(A), and 216(o)(4) of the Federal Credit Union Act (12 U.S.C. 1751 et seq.).

(6) Sections 7(a)(12), 11(p)(1)(A)(i), 36(i)(1)(B), 36(j), 38(b)(2)(A)(ii), and 38(k)(2)(B)(iii) of the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.).

(7) Section 2(10) of the Federal Home Loan Bank Act (12 U.S.C. 1422(10)).

(8) Sections 7(a)(1) and 22(h)(5)(C) of the Federal Reserve Act (12 U.S.C. 221 et seq.).

(9) The second paragraph (3) of section 304(i) (relating to ‘‘Exemption from certain disclosure requirements’’) and section 309(a) of the Home Mortgage Disclosure Act of 1975 (12 U.S.C. 2801 et seq.).

(10) Section 5(u)(2)(A) of the Home Owners' Loan Act (12 U.S.C. 1464(u)(2)(A)).

(11) Section 909(a)(1) of the International Lending Supervision Act of 1983 (12 U.S.C. 3908(a)(1)).

(12) Section 3(1)(B)(iv) of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2602(1)(B)(iv)).

(13) Section 5136A(a)(2)(D)(ii) of the Revised Statutes of the United States (12 U.S.C. 24a(a)(2)(D)(ii)).

(14) Section 129C(b)(2)(F)(i) of the Truth in Lending Act (15 U.S.C. 1639c(b)(2)(F)(i)).

TITLE III—FAIR AND TRANSPARENT BANK SUPERVISION

SEC. 301. HALTING UNCERTAIN METHODS AND PRACTICES IN SUPERVISION.

(a) FINDINGS.—Congress finds that—

(1) CAMELS ratings (Capital adequacy, Asset quality, Management, Earnings, Liquidity, and Sensitivity to market risk) are a critical tool for evaluating the safety and soundness of financial institutions, and the basis for determining significant regulatory matters such as the evaluation for mergers

and acquisitions and a bank's deposit insurance premiums;

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

(3) establishing articulable, clear, and reviewable measures for each CAMELS component and their relative weighting in determining composite ratings will promote fairness, consistency, and accountability in supervisory assessments; and

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

(b) AMENDMENTS TO THE CAMELS RATING SYSTEM.—

(1) IN GENERAL.—The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.) is amended by adding at the end the following:

"SEC. 1012. AMENDMENTS TO THE CAMELS RATING SYSTEM.

"(a) IN GENERAL.—The Council shall make recommendations to amend the Uniform Financial Institutions Rating System, and the CAMELS components thereunder, to—

"(1) establish articulable, clear, and reviewable criteria for assessing each CAMELS component;

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

"(3) revise the management component of the CAMELS components to limit the assessment under such component to articulable, clear, and reviewable measures of an institution's management in relation to its risk profile;

"(4) ensure that composite ratings consider the financial institution's compliance with—

"(A) section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b);

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

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

"(D) any other applicable requirements and implementing regulations relating to the prevention of money laundering and terrorist financing; and

"(5) ensure that composite ratings are determined based on a transparent methodology that is limited to the objective criteria established for each CAMELS component.

"(b) RULEMAKING.—Not later than 12 months after the Council makes the recommendations required under subsection (a), the Federal financial institutions regulatory agencies shall, jointly, issue rules to carry out the recommendations described under subsection (a).

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

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

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

"(d) RULE OF CONSTRUCTION.—Nothing in this section may be construed to limit the authority of the Federal financial institutions regulatory agencies to take supervisory, adjudicatory, or enforcement actions to ensure the safety and soundness of financial institutions.".

(2) WELL MANAGED DEFINITION.—

(A) BANK HOLDING COMPANY ACT OF 1956.—Section 2(o)(9)(A) of the Bank Holding

Company Act of 1956 (12 U.S.C. 1841(o)(9)(A)) is amended—

(i) by striking "achievement of" and all that follows through "a CAMEL" and inserting "achievement of a CAMEL";

(ii) by striking "; and" and inserting "; or"; and

(iii) by striking clause (ii).

(B) REVISED STATUTES OF THE UNITED STATES.—Section 5136A(g)(6)(A) of the Revised Statutes of the United States (12 U.S.C. 24a(g)(6)(A)) is amended—

(i) by striking "agency—" and all that follows through "the achievement" and inserting "agency, the achievement";

(ii) by striking "; and" and inserting "; or"; and

(iii) by striking clause (ii).

SEC. 302. FAIR AUDITS AND INSPECTIONS FOR REGULATORS' EXAMS.

(a) TIMELINESS OF EXAMINATIONS AND EXAMINATION REPORTS.—The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.), as amended by section 301(b)(1), is further amended by adding at the end the following:

"SEC. 1013. TIMELINESS OF EXAMINATIONS AND EXAMINATION REPORTS.

"(a) TIMELINESS OF EXAMINATIONS.—A Federal financial institutions regulatory agency shall complete any examination of a financial institution, other than a financial institution subject to a continuous or resident examination program, within 270 days of commencing the examination, except that such period may be extended by the Federal financial institutions regulatory agency by providing written notice to the financial institution describing with particularity the reasons that a longer period is needed.

"(b) FINAL EXAMINATION REPORT.—A Federal financial institutions regulatory agency shall provide a final examination report to a financial institution, other than a financial institution subject to a continuous or resident examination program, not later than 90 days after the later of—

"(1) the exit interview for an examination of the institution; or

"(2) the provision of additional material information by the institution relating to the examination.

"(c) EXIT INTERVIEW REQUIREMENT.—Within 30 days of completing an examination for a financial institution not subject to a continuous or resident examination program, a Federal financial institutions regulatory agency shall conduct an exit interview with the financial institution's senior management or the board of directors, except that such period may be extended by the Federal financial institutions regulatory agency by providing written notice to the institution describing with particularity the reasons that a longer period is needed to complete the exit interview.

"(d) EXAMINATION MATERIALS.—Upon the written request of a financial institution, the Federal financial institutions regulatory agency shall include with the final report an appendix listing all examination or other factual information relied upon by the agency in support of a material supervisory determination.".

(b) TIMELINESS OF REQUIRED PRUDENTIAL PRIVATE LETTER RULINGS.—The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.), as amended by subsection (a), is further amended by adding at the end the following:

"SEC. 1014. TIMELINESS OF REQUIRED PRUDENTIAL PRIVATE LETTER RULINGS.

"(a) AUTHORITY AND REGULATION.—

"(1) IN GENERAL.—Each Federal financial institutions regulatory agency shall establish procedures providing that a covered financial institution may, upon application by the covered financial institution and with respect to a covered action, obtain written advice regarding—

"(A) the agency's non-objection to the financial institution conducting a particular activity;

"(B) the agency's interpretation of a law or regulation as applied to a particular matter;

"(C) the agency's interpretation of how generally accepted accounting principles or accounting objectives, standards, and requirements apply to a particular matter; or

"(D) the agency's application of any supervisory guidance, statement of policy, or interpretive rule to a particular matter.

"(2) COVERED ACTION DEFINED.—In this subsection and with respect to a covered financial institution, the term 'covered action' means—

"(A) any action in connection with a regulated activity that the covered financial institution is taking or is intending to take, including—

"(i) entering into a transaction;

"(ii) issuing a product or service; or

"(iii) changing the corporate structure of the covered financial institution; and

"(B) a Federal financial institutions regulatory agency's objection to the covered financial institution commencing or otherwise conducting an activity (including an action described in subparagraph (A)).

"(b) CONTENTS OF REQUEST.—The procedures established under subsection (a) shall provide that a request for written advice made under the procedures shall be in writing and contain—

"(1) the nature of the request;

"(2) applicable facts relating to the matter;

"(3) applicable law, regulations, or generally accepted accounting principles relating to the matter; and

"(4) a summary of the request.

"(c) RESPONSE TO REQUEST.—A Federal financial institutions regulatory agency receiving a request for written advice under subsection (a) shall, not later than 30 days after receiving the request—

"(1) provide the financial institution making the request with written notification confirming receipt of the request and stating whether the request contains all of the information required under subsection (b); and

"(2) if the request does not contain all of the information required under subsection (b)—

"(A) provide the financial institution with an explanation of what information is missing; and

"(B) notify the financial institution that the financial institution may provide the missing information to the agency within 30 days.

"(d) PROVIDING MISSING INFORMATION.—If a Federal financial institutions regulatory agency informs the financial institution under subsection (c) that the request for written advice does not contain all the information required under subsection (b), the financial institution may provide the missing information to the Federal financial institutions regulatory agency within 30 days of the date the financial institution receives the explanation of the missing information under subsection (c).

"(e) DETERMINATION.—A Federal financial institutions regulatory agency receiving a request for written advice under the procedures established under subsection (a) shall provide the financial institution with a written response (or, for purposes of paragraph (3), notify the financial institution that a determination cannot be made)—

"(1) if the initial request contains the information required under subsection (b), not later than the end of the 60-day period beginning on the date the Federal financial institutions regulatory agency notifies the financial institution of the receipt of the request under subsection (c);

"(2) if the initial request does not contain the information required under subsection (b), but the financial institution provides the missing information during the 30-day period described under subsection (d), not later than the end of the 60-day period beginning on the date such missing information is provided; or

"(3) if the initial request does not contain the information required under subsection (b), and the financial institution does not provide the missing information during the 30-day period described under subsection (d), not later than the end of the 60-day period beginning on the end of such 30-day period.

"(f) LIMITED BINDING EFFECT.—Written advice issued by a Federal financial institutions regulatory agency under the procedures established under this section—

"(1) shall be binding on the agency with respect to the financial institution requesting the written advice and the specific facts described in the request;

"(2) may be relied upon by the financial institution requesting the written advice in good faith; and

"(3) shall not be binding on the agency with respect to any other person or institution and shall not be treated as precedent.

"(g) CONFIDENTIALITY AND PRIVILEGE.—

"(1) TREATMENT OF WRITTEN ADVICE.—Written advice issued under this section, and any materials submitted in connection therewith, and the fact that a request for written advice was made shall be treated as confidential supervisory information and exempt from disclosure under section 552(b) of title 5, United States Code.

"(2) PUBLISHING OF ANONYMIZED OR REDACTED SUMMARIES.—A Federal financial institutions regulatory agency may publish anonymized or redacted summaries of rulings for informational purposes.

"(h) MODIFICATION OR REVOCATION.—A Federal financial institutions regulatory agency may modify or revoke written advice issued under this section only if—

"(1) the requesting financial institution made a material misstatement or omission of fact;

"(2) there has been a change in controlling law; or

"(3) the ruling is inconsistent with a final rule or judicial decision issued after the date the written advice was issued.

"(i) REASONABLE FEES.—Each Federal financial institutions regulatory agency may establish and collect a reasonable fee for the processing and issuance of any written advice issued under this section, and such fee—

"(1) shall be based on the estimated cost to the agency of reviewing, analyzing, and responding to the request;

"(2) may vary based on the complexity of the request or the size of the requesting institution; and

"(3) shall be prescribed by regulation.

"(j) FINALITY.—Written advice issued under the procedures established under this section shall not be construed as a final agency action.".

(c) OFFICE OF INDEPENDENT EXAMINATION REVIEW.—

(1) IN GENERAL.—The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.), as amended by subsection (b), is further amended by adding at the end the following:

"SEC. 1015. OFFICE OF INDEPENDENT EXAMINATION REVIEW.

"(a) ESTABLISHMENT.—There is established in the Council an Office of Independent Examination Review (the 'Office').

"(b) BOARD OF INDEPENDENT EXAMINATION REVIEW.—

"(1) IN GENERAL.—The head of the Office shall be the Board of Independent Examination Review, which shall be comprised of 3 members, appointed by the President, by and with the advice and consent of the Senate.

"(2) QUALIFICATIONS.—The President shall appoint 1 member of the Board from each of the following classes of individuals:

"(A) Individuals who have been employed by a Federal financial institutions regulatory agency.

"(B) Individuals who are not, and were not during the previous 5-year period, employed by a Federal financial institutions regulatory agency or a Federal reserve bank and who—

"(i) are a licensed attorney or a certified public accountant authorized to practice under the laws of a State, the District of Columbia, or a territory of the United States;

"(ii) have academic or private sector experience relating to financial services; or

"(iii) have relevant work-related experience in consumer affairs or compliance with consumer protection laws with respect to financial institutions.

"(C) Individuals with at least 10 years private sector financial services senior management-level experience.

"(3) PROHIBITION ON CERTAIN INDIVIDUALS SERVING AS A BOARD MEMBER.—The President may not appoint an individual as a member of the Board if the individual—

"(A) is, or was during the previous 2-year period, employed by a Federal financial institutions regulatory agency or a Federal reserve bank; or

"(B) is, or was during the previous 2-year period, employed by a financial institution.

"(4) CONSULTATION.—In appointing members of the Board, the President shall consult with the Federal financial institutions regulatory agencies and financial institutions.

"(5) TERM.—

"(A) IN GENERAL.—Each member of the Board shall serve for a term of 3 years. Upon the expiration of a member's terms of office, the member shall continue to serve until the member's successor has been confirmed by the Senate.

"(B) TERM LIMITATION.—No individual may serve more than 2 full terms on the Board.

"(6) POLITICAL AFFILIATION.—Not more than 2 members of the Board shall be members of the same political party.

"(7) QUORUM.—

"(A) IN GENERAL.—3 members of the Board shall constitute a quorum.

"(B) INITIAL QUORUM.—During the 6-month period beginning on the date of enactment of this section, 1 member of the Board shall constitute a quorum until the Board has 3 members.

"(8) RATE OF PAY.—The annual rate of basic pay for the members of the Board shall be the rate of basic pay for Level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(c) STAFFING.—The Board is authorized to hire staff to support the activities of the Office of Independent Examination Review, and set the salaries of such staff. One-fifth of the costs and expenses of the Office, including the salaries of its employees, shall be paid by each of the Federal financial institutions regulatory agencies. Annual assessments for such share shall be levied by the Council based upon its projected budget for the year, and additional assessments may be made during the year if necessary.

"(d) DUTIES.—The Board shall—

"(1) receive and, at the discretion of the Board, investigate complaints from financial institutions, their representatives, or another entity acting on behalf of such institutions, concerning completed examinations, examination practices, or examination reports;

"(2) hold meetings, at least once every three months and in locations designed to encourage participation from all sections of the United States, with financial institutions, their representatives, or another entity acting on behalf of such institutions, to discuss examination procedures, examination practices, or examination policies;

"(3) review examination procedures of the Federal financial institutions regulatory agencies to ensure that the written examination policies of those agencies are being followed in practice and adhere to the standards for consistency;

"(4) conduct a continuing and regular program of examination quality assurance on a sample for all examination types conducted by the Federal financial institutions regulatory agencies;

"(5) carry out an independent review of any supervisory appeal initiated under section 1016; and

"(6) report annually to the Committee on Financial Services of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Council, on the reviews carried out pursuant to paragraphs (3) and (5), including compliance with the requirements set forth in section 1014 regarding timeliness of examination reports, and the Board's recommendations for improvements in examination procedures, practices, and policies.

"(e) CONFIDENTIALITY.—

"(1) IN GENERAL.—The Board and the Council shall keep confidential—

"(A) all meetings, discussions, and information provided by financial institutions and Federal financial institutions regulatory agencies that involve confidential supervisory information or privileged information;

"(B) all information and communications exchanged between a financial institution and the Office of Independent Examination Review; and

"(C) all information and communications exchanged between a Federal financial institutions regulatory agency and the Office of Independent Examination Review.

"(2) SUBMISSION OF INFORMATION DOES NOT CONSTITUTE A WAIVER.—Section 18(x) of the Federal Deposit Insurance Act (12 U.S.C. 1828(x)) and section 205(j) of the Federal Credit Union Act (12 U.S.C. 1785(j)) shall apply to the submission of information to the Board by a financial institution or a Federal financial institutions regulatory agency to the same extent as such sections 18(x) and 205(j) apply to the submission of information described in such sections 18(x) and 205(j).

"(3) SHARING OF INFORMATION WITHOUT WAIVING PRIVILEGE.—The Board shall be considered a 'covered agency' for purposes of section 11(t) of the Federal Deposit Insurance Act (12 U.S.C. 1821(t)).".

(2) DEFINITIONS.—Section 1003 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3302) is amended—

(A) in paragraph (2), by striking "and" at the end; and

(B) by adding at the end the following:

"(4) the term 'Board' means the Board of Independent Examination Review established under section 1015(b);

"(5) the term 'material supervisory determination' has the meaning given such term in section 309(c) of the Riegle Community Development and Regulatory Improvement Act of 1994;

"(6) the term 'insured depository institution' has the meaning given that term in section 3 of the Federal Deposit Insurance Act; and

"(7) the term 'insured credit union' has the meaning given that term in section 101 of the Federal Credit Union Act.".

(d) RIGHT TO INDEPENDENT REVIEW OF MATERIAL SUPERVISORY DETERMINATIONS.—The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C.

3301 et seq.), as amended by subsection (c), is further amended by adding at the end the following:

"SEC. 1016. RIGHT TO INDEPENDENT REVIEW OF MATERIAL SUPERVISORY DETERMINATIONS.

"(a) IN GENERAL.—A financial institution shall have the right to obtain an independent review, as described in this section, of a material supervisory determination contained in a final report of examination. A Federal financial institutions regulatory agency and the Board may not conduct concurrent reviews.

"(b) NOTICE.—

"(1) TIMING.—A financial institution seeking review of a material supervisory determination under this section shall file a written notice with the Board within 30 days after receiving the final report of examination that is the subject of such review.

"(2) EXTENSION.—The institution may file a written request with the Board for an extension of the 60-day time period described under paragraph (1), which shall state good cause for granting the extension. Such request shall be granted in the sole discretion of the Board.

"(3) IDENTIFICATION OF DETERMINATION.—The written notice shall—

"(A) identify the material supervisory determination that is the subject of the requested independent examination review;

"(B) state the reasons why the institution believes that the material supervisory determination is incorrect or should otherwise be modified; and

"(C) include—

"(i) a clear and complete statement of all relevant facts and issues;

"(ii) all arguments that the institution wishes to present; and

"(iii) all relevant and material documents in the possession of the institution that the institution wishes to be considered.

"(4) INFORMATION MADE AVAILABLE TO INSTITUTION.—A financial institution seeking a review of a material supervisory determination may, not later than 7 days after receiving the final examination report, request that the Federal financial institutions regulatory agency that made the material supervisory determination provide the financial institution with all examination and factual information relied upon by the Federal financial institutions regulatory agency in making the material supervisory determination. The Federal financial institutions regulatory agency shall provide such information to the financial institution not later than 14 days after receiving the request.

"(5) SUBMISSION OF RECORD.—After receiving a written notice of review from a financial institution under this subsection, the Board shall direct the Federal financial institutions regulatory agency that made the material supervisory determination under review to file with the Board the supervisory record of the examination resulting in the material supervisory determination under review.

"(c) DETERMINATION; RIGHT TO HEARING.—

"(1) IN GENERAL.—The Board shall—

"(A) determine the merits on the record, including whether the material supervisory determination being reviewed should be upheld, canceled, or modified; or

"(B) at the election of the financial institution, conduct a hearing, which shall take place not later than 60 days after the petition for review is received by the Board, except that such 60-day period may be extended if both the financial institution and the Board agree to such extension.

"(2) RIGHT TO OBTAIN TESTIMONY.—A financial institution electing for a hearing under paragraph (1)(B) shall have the right the obtain testimony under oath from agency employees and obtain documents and other evidence at the hearing, or in advance of the hearing, according to procedures instituted by the Board consistent with those set forth under sections 556 and 557 of title 5, United States Code.

"(3) BASIS OF DECISION.—The Board shall issue a written decision based upon the record of the examination, supplemented by the record established before the Board and at any hearing.

"(4) STANDARD OF REVIEW.—The Board's review of a material supervisory determination being reviewed under this subsection shall be de novo, and the Board shall not defer to the opinions of the examiners or the Federal financial institutions regulatory agency, but shall independently determine the appropriateness of the material supervisory determination based upon the relevant statutes, regulations, other appropriate guidance, and the evidentiary record.

"(5) POLICY MATTERS.—The Board shall conduct reviews under this section applying the policies, regulations, and interpretations of the Federal financial institutions regulatory agency that made the material supervisory determination under review in effect at the time the material supervisory determination was made.

"(d) FINAL DECISION.—A decision by the Board on an independent review under this section shall—

"(1) be made not later than 60 days after the record has been closed; and

"(2) be deemed final and shall bind the agency whose supervisory determination was the subject of the review and the financial institution requesting the review.

"(e) REFERRAL OF VIOLATIONS.—If the Board, in carrying out this section, determines that a financial institution has violated a law or regulation, the Board shall refer such determination to the applicable Federal financial institutions regulatory agency.

"(f) ANNUAL REPORT.—

"(1) IN GENERAL.—The Board shall report annually to the Committee on Financial Services of the House of Representatives, the Committee on Banking, Housing, and Urban Affairs of the Senate, and the Council on actions taken under this section, including the types of issues that the Board has reviewed and the results of those reviews, including information on each final determination with respect to a material supervisory determination.

"(2) CONFIDENTIALITY.—In reporting under paragraph (1), the Board shall redact information about individual financial institutions and any confidential supervisory information or privileged information shared by financial institutions, and shall anonymize any un-redacted information that could, in the aggregate, identify a financial institution.

"(g) RETALIATION PROHIBITED.—

"(1) IN GENERAL.—A Federal financial institutions regulatory agency may not—

"(A) retaliate against a financial institution, including service providers, or any institution-affiliated party, for exercising appellate rights under this section; or

"(B) delay or deny any agency action that would benefit a financial institution or any institution-affiliated party on the basis that an appeal under this section is pending under this section.

"(2) RETALIATION.—For purposes of this subsection, retaliation includes delaying consideration of, or withholding approval of, any request, notice, or application that otherwise would have been approved, but for the exercise of a financial institution's rights under this section.

"(h) RULEMAKING.—The Board shall issue rules, consistent with subchapter II of chapter 5 of title 5, United States Code (commonly referred to as the 'Administrative Procedure Act'), to establish procedures for hearings described under this section, including that—

"(1) a financial institution may appear at the hearing personally or through counsel;

"(2) a financial institution may provide an oral and written presentation at the hearing;

"(3) the Board may ask questions of any person participating in the hearing;

"(4) the hearing shall not be governed by the Federal Rules of Evidence; and

"(5) the Board shall have a verbatim transcript of the hearing prepared.

"(i) RULE OF CONSTRUCTION.—Nothing in this section may be construed—

"(1) to affect the right of a Federal financial institutions regulatory agency to take enforcement or other supervisory actions related to a material supervisory determination under review under this section; or

"(2) to prohibit the review under this section of a material supervisory determination with respect to which there is an ongoing enforcement or other supervisory action.".

(e) ADDITIONAL AMENDMENTS.—

(1) REGULATORY APPEALS PROCESS, OMBUDSMAN, AND ALTERNATIVE DISPUTE RESOLUTION.—

(A) IN GENERAL.—Section 309 of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4806) is amended—

(i) in the heading, by striking "**REGULATORY APPEALS PROCESS, OMBUDSMAN,**" and inserting "**OMBUDSMAN**" (and by conforming the item relating to such section in the table of contents accordingly);

(ii) by striking subsections (a), (b), and (c);

(iii) by redesignating subsections (d), (e), (f), and (g) as subsections (a), (b), (c), and (d), respectively;

(iv) in subsection (b), as so redesignated—

(I) in paragraph (2)—

(aa) in subparagraph (B), by striking "and" at the end;

(bb) in subparagraph (C), by striking the period and inserting "; and"; and

(cc) by adding at the end the following:

"(D) ensure that appropriate safeguards exist for protecting any party from retaliation by any agency for exercising rights under this subsection."; and

(II) by adding at the end the following:

"(6) RETALIATION.—For purposes of this subsection, retaliation includes delaying consideration of, or withholding approval of, any request, notice, or application that otherwise would have been approved, but for the exercise of a financial institution's rights under this section."; and

(v) in paragraph (1)(A) of subsection (c), as so redesignated—

(I) in clause (ii), by striking "; and" and inserting a semicolon;

(II) in clause (iii), by striking "; and" and inserting a semicolon; and

(III) by adding at the end the following:

"(iv) any issue specifically listed in an exam report as a matter requiring attention by the institution's management or board of directors; and

"(v) any suspension or removal of an institution's status as eligible for expedited processing of applications, requests, notices, or filings on the grounds of a supervisory or compliance concern, regardless of whether that concern has been cited as a basis for a material supervisory determination or matter requiring attention in an examination report, provided that the conduct at issue did not involve violation of any criminal law; and".

(B) EFFECT.—Nothing in this subsection affects the authority of a Federal banking agency (as defined in section 304(b)) to take enforcement or other supervisory action.

(2) FEDERAL CREDIT UNION ACT.—Section 205(j) of the Federal Credit Union Act (12 U.S.C. 1785(j)) is amended by inserting ‘‘the Bureau of Consumer Financial Protection,’’ before ‘‘the Administration’’ each place that term appears.

(3) FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL ACT.—The Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3301 et seq.) is amended—

(A) in section 1003 (12 U.S.C. 3302)—

(i) by striking paragraph (1) and inserting the following:

‘‘(1) the term ‘Federal financial institutions regulatory agencies’—

‘‘(A) means the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the National Credit Union Administration; and

‘‘(B) includes the Bureau of Consumer Financial Protection for purposes of sections 1012 through 1015;’’; and

(ii) in paragraph (3), by striking the semicolon at the end and inserting ‘‘, except that for purposes of sections 1013 through 1016, the term 'financial institution' does not include a credit union that is not an insured credit union;'';

(B) in section 1004(a)(4) (12 U.S.C. 3303), by striking ''Consumer Financial Protection Bureau'' and inserting ''Bureau of Consumer Financial Protection''; and

(C) in section 1005 (12 U.S.C. 3304)—

(i) by striking ''One-fifth'' and inserting ''One-fourth''; and

(ii) by inserting ''described under section 1003(1)(A)'' after ''agencies''.

(f) ELECTION OF FORUM FOR REVIEW OF SUPERVISORY ENFORCEMENT.—

(1) FEDERAL DEPOSIT INSURANCE ACT.—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended—

(A) in subsection (b), by adding at the end the following:

''(11) HEARING.—With respect to any notice properly issued and served upon a depository institution or institution-affiliated party under this subsection, such depository institution or institution-affiliated party shall be afforded a hearing before—

"(A) the appropriate Federal banking agency; or

"(B) if such institution or person submits a request within 20 days after the issuance of the notice, the appropriate United States district court, and that court shall have jurisdiction to adjudicate all claims and requested remedies stated in the notice of charges, including those authorized under this subsection.";

(B) in subsection (e), by adding at the end the following:

"(8) HEARING.—With respect to any notice properly issued and served upon an institution-affiliated party under this subsection, such institution-affiliated party shall be afforded a hearing before—

"(A) the appropriate Federal banking agency; or

"(B) if such party submits a request for such hearing and forum within 20 days after the issuance of the notice, the appropriate United States district court, and that court shall have jurisdiction to adjudicate all claims and requested remedies stated in the notice, including those authorized under this subsection.";

(C) in subsection (h)—

(i) in paragraph (1), by striking “(other than the hearing provided for in subsection (g)(3) of this section)” and inserting “(other than the hearing provided for in subsection (b)(11)(B), (e)(8)(B), (g)(3), or (i)(2)(H)(ii))”; and

(ii) by adding at the end the following:

“(4) Any hearing provided for in subsection (b)(11)(B), (e)(8)(B), or (i)(2)(H)(ii) shall be subject to the jurisdiction, powers, and equitable authority of the district court and be governed by the Federal Rules of Civil Procedure and the Federal Rules of Evidence.

“(5) Any final decision of a United States district court made pursuant to a respondent’s election under subsection (b)(11)(B), (e)(8)(B), or (i)(2)(H)(ii) shall be reviewable in the appropriate court of appeals in the same manner and to the same extent as any other civil action to which the United States is a party.”;

(D) in subsection (i)(2)—

(i) by amending subparagraph (E)(ii) to read as follows:

“(ii) FINALITY OF ASSESSMENT.—If, with respect to any assessment under clause (i), a hearing is not requested or an election is not made and timely noticed pursuant to subparagraph (H) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.'';

(ii) by amending subparagraph (H) to read as follows:

``(H) HEARING.—The insured depository institution or institution-affiliated party against whom any penalty is assessed under this paragraph shall be afforded a hearing before—

``(i) an agency, if such institution or person submits a request for such hearing within 20 days after the issuance of the notice of assessment; or

``(ii) the appropriate United States district court, if such institution or person submits a request for such hearing and forum within 20 days after the issuance of the notice of assessment.''; and

(iii) by amending subparagraph (I)(ii) to read as follows:

``(ii) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under clause (i), except a civil action tried in a United States district court pursuant to subsection (b)(11)(B), (e)(8)(B), or (i)(2)(H)(ii), the validity and appropriateness of the penalty shall not be subject to review.''; and

(E) by adding at the end the following:

''(x) SAVINGS CLAUSE.—Nothing in subsection (b)(11)(B), (e)(8)(B), or (i)(2)(H)(ii) shall be construed to—

''(1) limit the authority of a Federal banking agency to initiate an administrative enforcement action; or

''(2) impair the validity of any consent order.''.

(2) FEDERAL CREDIT UNION ACT.—Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended—

(A) in subsection (e), by adding at the end the following:

''(5) HEARING.—With respect to any notice properly issued and served upon an insured credit union, credit union which has insured accounts, or an institution-affiliated party under this subsection, such insured credit union, credit union which has insured accounts, or institution-affiliated party shall be afforded a hearing before—

"(A) the Administration; or

"(B) if such insured credit union, credit union which has insured accounts, or institution-affiliated party submits a request within 20 days after the issuance of the notice, the appropriate United States district court, and that court shall have jurisdiction to adjudicate all claims and requested remedies stated in the notice of charges, including those authorized under this subsection.";

(B) in subsection (g), by adding at the end the following:

"(8) HEARING.—With respect to any notice properly issued and served upon an institution-affiliated party under this subsection, such institution-affiliated party shall be afforded a hearing before—

"(A) the Administration; or

"(B) if such institution-affiliated party submits a request within 20 days after the issuance of the notice, the appropriate United States district court, and that court shall have jurisdiction to adjudicate all claims and requested remedies stated in the notice of charges, including those authorized under this subsection.'';

(C) in subsection (j)—

(i) in paragraph (1), by striking ''(other than the hearing provided for in subsection (i)(3) of this section)'' and inserting ''(other than the hearing provided for in subsection (e)(5)(B), (g)(8)(B), (i)(3), or (k)(2)(H)(ii))''; and

(ii) by adding at the end the following:

''(4) Any hearing provided for in subsection (e)(5)(B), (g)(8)(B), (i)(3), or (k)(2)(H)(ii) shall be subject to the jurisdiction, powers, and equitable authority of the district court and be governed by the Federal Rules of Civil Procedure and the Federal Rules of Evidence.

''(5) Any final decision of a United States district court made pursuant to a respondent's election under subsection (e)(5)(B), (g)(8)(B), (i)(3), or (k)(2)(H)(ii) shall be reviewable in the appropriate court of appeals in the same manner and to the same extent as any other civil action to which the United States is a party.'';

(D) in subsection (k)(2)—

(i) by amending subparagraph (E)(ii) to read as follows:

"(ii) FINALITY OF ASSESSMENT.—If, with respect to any assessment under clause (i), a hearing is not requested or an election is not made and timely noticed pursuant to subparagraph (H) within the period of time allowed under such subparagraph, the assessment shall constitute a final and unappealable order.";

(ii) by amending subparagraph (H) to read as follows:

"(H) HEARING.—The insured credit union or institution-affiliated party against whom any penalty is assessed under this paragraph shall be afforded a hearing before—

"(i) the Administration, if such insured credit union or institution-affiliated party submits a request for such hearing within 20 days after the issuance of the notice of assessment; or

"(ii) the appropriate United States district court, if such insured credit union or institution-affiliated party submits a request for such hearing and forum within 20 days after the issuance of the notice of assessment."; and

(iii) by amending subparagraph (I)(ii) to read as follows:

"(ii) APPROPRIATENESS OF PENALTY NOT REVIEWABLE.—In any civil action under clause (i), except a civil action tried in a United States district court pursuant to subsection (e)(5)(B), (g)(8)(B), or (k)(2)(H)(ii), the validity and appropriateness of the penalty shall not be subject to review."; and

(E) by adding at the end the following:

"(x) SAVINGS CLAUSE.—Nothing in subsection (e)(5)(B), (g)(8)(B), or (k)(2)(H)(ii) shall be construed to—

"(1) limit the authority of the Administration to initiate an administrative enforcement action; or

"(2) impair the validity of any consent order.".

SEC. 303. SUPERVISORY MODIFICATIONS FOR APPROPRIATE RISK-BASED TESTING.

(a) EXAMINATION RELIEF FOR CERTAIN WELL MANAGED AND WELL CAPITALIZED FINANCIAL INSTITUTIONS.—

(1) INSURED DEPOSITORY INSTITUTIONS.—Section 10(d) of the Federal Deposit Insurance Act (12

U.S.C. 1820(d)) is amended by adding at the end the following:

"(11) EXAMINATION RELIEF FOR CERTAIN WELL MANAGED AND WELL CAPITALIZED INSURED DEPOSITORY INSTITUTIONS.—

"(A) IN GENERAL.—Notwithstanding paragraphs (1) and (2), the following shall apply to a well managed and well capitalized insured depository institution with $6,000,000,000 or less in consolidated assets:

"(i) ALTERNATING LIMITED-SCOPE EXAMINATIONS.—After an insured depository institution receives a full-scope, on-site examination from the appropriate Federal banking agency, the next examination of the insured depository institution by the appropriate Federal banking agency shall be a limited-scope examination, as determined by the appropriate Federal banking agency.

"(ii) COMBINED EXAMINATIONS.—If an insured depository institution is otherwise subject to separate safety and soundness examinations, consumer compliance examinations, and information technology and cybersecurity examinations, the appropriate Federal banking agency shall, upon request of the insured depository institution, combine two or three such examinations, as specified by the insured depository institution, and carry them out at the same time.

"(B) EXCEPTION.—Subparagraph (A) shall not apply to an insured depository institution if—

"(i) the insured depository institution is currently subject to a formal enforcement proceeding or order by the Corporation or the appropriate Federal banking agency; or

"(ii) a person acquired control of the insured depository institution since the most recent full-scope, on-site examination of the insured depository institution from the appropriate Federal banking agency.

"(C) RULEMAKING.—Not later than 12 months after the date of enactment of this paragraph, the Federal banking agencies shall issue rules to carry out subparagraph (A), including, with respect to an insured depository institution described under subparagraph (A), to—

"(i) establish procedures for the limited-scope examinations described in subparagraph (A)(i);

"(ii) establish procedures for reviewing insured depository institutions described under subparagraph (A), that—

"(I) experience material changes in financial condition or operational risk profile between scheduled examinations; or

"(II) have failed to comply with Federal or State banking laws and regulations; and

"(iii) balance the goals of streamlining the examination cycle for individual insured depository institutions and reducing unnecessary regulatory burdens while maintaining sufficient oversight to ensure the continued safety and soundness of the insured depository institutions and compliance with all applicable laws and regulations.

"(D) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed to limit the authority of a Federal banking agency to conduct off-site monitoring, targeted reviews, or additional full-scope, on-site examinations of an insured depository institution if the Federal banking agency determines such monitoring, reviews, or examinations are appropriate to ensure safety and soundness or compliance with applicable laws.

"(E) DEFINITIONS.—In this paragraph:

"(i) CONSUMER COMPLIANCE EXAMINATION.—The term 'consumer compliance examination' means an examination to assess compliance with the requirements of Federal consumer financial law (as such term is defined in section 1002 of the Consumer Financial Protection Act of 2010).

"(ii) WELL CAPITALIZED.—The term 'well capitalized' has the meaning given that term in section 38(b).

"(iii) WELL MANAGED.—With respect to an insured depository institution, the term 'well managed' means that, when the institution was most recently examined by the appropriate Federal banking agency, the institution was found to be well managed, and the institution's composite condition was found to be satisfactory or outstanding.''.

(2) INSURED CREDIT UNIONS.—Section 204 of the Federal Credit Union Act (12 U.S.C. 1784) is amended by adding at the end the following:

''(h) EXAMINATION RELIEF FOR CERTAIN WELL MANAGED AND WELL CAPITALIZED INSURED CREDIT UNIONS.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the following shall apply to a well managed and well capitalized insured credit union with $6,000,000,000 or less in consolidated assets:

''(A) ALTERNATING LIMITED-SCOPE EXAMINATIONS.—After an insured credit union receives a full-scope, on-site examination from the National Credit Union Administration, the next examination of the insured credit union by the National Credit Union Administration shall be a limited-scope examination, as determined by the National Credit Union Administration.

"(B) COMBINED EXAMINATIONS.—If an insured credit union is otherwise subject to separate safety and soundness examinations, consumer compliance examinations, and information technology and cybersecurity examinations, the National Credit Union Administration shall, upon request of the insured credit union, combine two or three such examinations, as specified by the insured credit union, and carry them out at the same time.

"(2) EXCEPTION.—Paragraph (1) shall not apply to an insured credit union if the insured credit union is currently subject to a formal enforcement proceeding or order by the National Credit Union Administration.

"(3) RULEMAKING.—Not later than 12 months after the date of enactment of this subsection, the National Credit Union Administration shall issue rules to carry out paragraph (1), including, with respect to an insured credit union described under paragraph (1), to—

"(A) establish procedures for the limited-scope examinations described in paragraph (1)(A);

“(B) establish procedures for reviewing insured credit unions that—

“(i) experience material changes in financial condition or operational risk profile between scheduled examinations; or

“(ii) have failed to comply with Federal or State banking laws and regulations; and

“(C) balance the goals of streamlining the examination cycle for individual insured credit unions and reducing unnecessary regulatory burdens while maintaining sufficient oversight to ensure the continued safety and soundness of the insured credit unions and compliance with all applicable laws and regulations.

“(4) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to limit the authority of the National Credit Union Administration to conduct off-site monitoring, targeted reviews, or additional full-scope, on-site examinations of an insured credit union if the National Credit Union Administration determines such monitoring, reviews, or examinations are appropriate to ensure safety and soundness or compliance with applicable laws.

“(5) DEFINITIONS.—In this paragraph:

"(A) CONSUMER COMPLIANCE EXAMINATION.—The term 'consumer compliance examination' means an examination to assess compliance with the requirements of Federal consumer financial law (as such term is defined in section 1002 of the Consumer Financial Protection Act of 2010).

"(B) WELL CAPITALIZED.—The term 'well capitalized' has the meaning given that term in section 216(c).

"(C) WELL MANAGED.—With respect to an insured credit union, the term 'well managed' means that, when the credit union was most recently examined by the National Credit Union Administration, the credit union was found to be well managed, and the credit union's composite condition was found to be satisfactory or outstanding.".

(b) EXAMINATION PRACTICES.—

(1) INSURED DEPOSITORY INSTITUTIONS.—Section 10(d) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)), as amended by subsection (a)(1), is further amended by adding at the end the following:

"(12) EXAMINATION PRACTICES.—With respect to on-site examination of an insured depository institution with less than $6,000,000,000 in total assets, the appropriate Federal banking agency shall—

"(A) ensure the examination is led by, to the maximum extent practicable, an examiner with significant experience as an examiner;

"(B) make every effort, to the maximum extent practicable, to minimize the number of examiners utilized and the amount of time spent at the institution to carry out the examination;

"(C) make every effort, to the maximum extent practicable, to schedule the examination at a time that is convenient for the institution; and

"(D) to the maximum extent practicable, give the institution advance notice of issues expected to be covered in the examination.

"(13) REPORT.—In its annual report to Congress, each Federal banking agency shall include—

"(A) information on how the agency is complying with paragraphs (11) and (12); and

"(B) aggregate data summarizing the agency's examination practices with respect to insured depository institutions with less than $6,000,000,000 in total assets, including—

"(i) the average experience of examiners, including the average number of years of examiner experience of those who lead on-site examinations;

"(ii) the average number of examiners utilized; and

"(iii) the average amount of time the agency spends visiting such institutions for on-site examinations.".

(2) INSURED CREDIT UNIONS.—Section 204 of the Federal Credit Union Act (12 U.S.C. 1784), as amended by subsection (a)(2), is further amended by adding at the end the following:

"(i) EXAMINATION PRACTICES.—With respect to on-site examination of an insured credit union with less than $6,000,000,000 in total assets, the National Credit Union Administration shall—

"(1) ensure the examination is led by, to the maximum extent practicable, an examiner with significant experience as an examiner;

"(2) make every effort, to the maximum extent practicable, to minimize the number of examiners utilized and the amount of time spent at the credit union to carry out the examination;

"(3) make every effort, to the maximum extent practicable, to schedule the examination at a time that is convenient for the credit union; and

"(4) to the maximum extent practicable, give the credit union advance notice of issues expected to be covered in the examination.

"(j) REPORT.—In its annual report to Congress, the National Credit Union Administration shall include—

"(1) information on how the Administration is complying with subsections (h) and (i); and

"(2) aggregate data summarizing the Administration's examination practices with respect to insured credit unions with less than $6,000,000,000 in total assets, including—

"(A) the average experience of examiners, including the average number of years of examiner experience of those who lead on-site examinations;

"(B) the average number of examiners utilized; and

"(C) the average amount of time the Administration spends visiting such credit unions for on-site examinations.".

SEC. 304. FINANCIAL INTEGRITY AND REGULATION MANAGEMENT.

(a) FINDINGS.—Congress finds that—

(1) the primary objective of financial regulation and supervision by the Federal banking agencies is to promote safety and soundness of depository institutions;

(2) all federally legal businesses and law-abiding citizens regardless of political ideology should have equal opportunity to obtain financial services and should not face unlawful discrimination in obtaining such services;

(3) financial service providers are private entities entitled to provide services to whichever customers they so choose, provided that those decisions do not violate the law;

(4) financial service providers should strive to ensure that all business decisions are based on factors free from unlawful prejudice or political influence;

(5) the use of reputational risk in supervisory frameworks encourages Federal banking agencies to regulate depository institutions based on the subjective view of negative publicity and provides cover for the agencies to implement their own political agenda

unrelated to the safety and soundness of a depository institution;

(6) Federal banking agencies have in fact used reputational risk to limit access of federally legal businesses and law-abiding citizens to financial services in 2018 when the Federal Deposit Insurance Corporation acknowledged that the agency used reputational risk reviews to limit access to financial services by certain industries, commonly known as "Operation Choke Point"; and

(7) reputational risk does not appear in any statute and is an unnecessary and improper use of supervisory authority that does not contribute to the safety and soundness of the financial system.

(b) DEFINITIONS.—In this section:

(1) DEPOSITORY INSTITUTION.—The term "depository institution"—

(A) has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(B) includes a depository institution holding company, as such term is defined in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(C) includes an insured credit union, as such term is defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(2) FEDERAL BANKING AGENCY.—The term "Federal banking agency"—

(A) has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) includes—

(i) the National Credit Union Administration; and

(ii) the Bureau of Consumer Financial Protection.

(3) FOREIGN TERRORIST ORGANIZATION.—The term "foreign terrorist organization" means a foreign organization that is designated by the Secretary of State in accordance with section 219 of the Immigration and Nationality Act (8 U.S.C. 1189).

(4) REPUTATIONAL RISK.—The term "reputational risk" means the potential that negative publicity or negative public opinion regarding a depository institution's business practices, whether true or not, will cause a decline in confidence in the institution or a decline in the customer base, costly litigation, or revenue reductions or otherwise ad-

versely impact the depository institution. The previous sentence does not apply to negative publicity or negative public opinion regarding an institution's business practices where such practices involve unlawful transactions in connection with state sponsors of terrorism or foreign terrorist organizations.

(5) STATE SPONSORS OF TERRORISM.—The term ''state sponsors of terrorism'' means a country, the government of which has been determined by the Secretary of State to have repeatedly provided support for acts of international terrorism, for purposes of—

(A) section 1754(c)(1)(A)(i) of the Export Control Reform Act of 2018 (50 U.S.C. 4813(c)(1)(A)(i));

(B) section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371);

(C) section 40(d) of the Arms Export Control Act (22 U.S.C. 2780(d)); or

(D) any other provision of law.

(c) STUDY ON REPUTATIONAL RISK.—Not later than 1 year after the date of the enactment of this Act, each Federal banking agency shall—

(1) carry out a study to evaluate the use of reputational risk in the supervision of depository institutions; and

(2) determine whether the removal of reputational risk in the supervision of depository institutions would threaten the safety and soundness of those depository institutions.

(d) REMOVAL OF REPUTATIONAL RISK AS A CONSIDERATION IN THE SUPERVISION OF DEPOSITORY INSTITUTIONS.—If a Federal banking agency determines, under subsection (c), that the removal of reputational risk in the supervision of depository institutions would not threaten the safety and soundness of those depository institutions, the Federal banking agency shall remove from any guidance, rule, examination manual, or similar document established by the agency any reference to reputational risk, or any term substantially similar, regarding the supervision of depository institutions such that reputational risk, or any term substantially similar, is no longer taken into consideration by the Federal banking agency when examining and supervising a depository institution.

(e) PROHIBITION.—If a Federal banking agency determines, under subsection (c), that the removal of reputational risk in the supervision of depository institutions would not threaten the safety and soundness of those depository institutions, the agency may not engage in rulemaking, the issuance of guidance, supervision activities, or enforcement activities related to the reputational risk of a depository institution or the managing of reputational risk by a depository institution, including—

(1) establishing any rule, regulation, requirement, standard, or supervisory expectation concerning or related to the reputational risk of a depository institution, or the management thereof, whether binding or not;

(2) conducting any examination, assessment, data collection, or other supervisory exercise concerning or related to reputational risk of a depository institution, or the management thereof;

(3) issuing any examination finding, supervisory criticism, or other supervisory or examination communication concerning or related to reputational risk of a depository institution, or the management thereof;

(4) making any supervisory ratings decision or determination that is based, in whole or in part, on any matter concerning or related to reputational risk of a depository institution, or the management thereof; and

(5) taking any formal or informal enforcement action that is based, in whole or in part, on any matter concerning or related to reputational risk of a depository institution, or the management thereof.

(f) REPORTS.—Not later than 180 days after the date of enactment of this Act, each Federal banking agency shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report that—

(1) confirms implementation of this section; and

(2) describes any changes made to internal policies as a result of this section.

TITLE IV—REGULATORY ACCOUNTABILITY AND TRANSPARENCY

SEC. 401. FDIC BOARD ACCOUNTABILITY.

Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended—

(1) by striking "Consumer Financial Protection Bureau" each place such term appears and inserting "Bureau of Consumer Financial Protection";

(2) by amending subsection (a)(1)(C) to read as follows:

"(C) 3 of whom shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who are citizens of the United States, 1 of whom shall have State bank supervisory experience, and separately 1 of whom shall have demonstrated primary experience working in or supervising depository institutions having less than $17,000,000,000 in total assets."; and

(3) in subsection (c)—

(A) in paragraph (1), by adding at the end the following: "No individual may be appointed as a member for more than two terms."; and

(B) by adding at the end the following:

"(4) MAXIMUM LENGTH OF SERVICE.—Notwithstanding any other provision of this Act, no person shall serve as a member for more than twelve years in total.".

SEC. 402. STOP AGENCY FIAT ENFORCEMENT OF GUIDANCE.

(a) IN GENERAL.—Each financial agency shall include a guidance clarity statement as described in subsection (b) on any guidance issued by that financial agency on and after the date of the enactment of this Act.

(b) GUIDANCE CLARITY STATEMENT.—A guidance clarity statement required under subsection (a) shall be displayed prominently on the first page of the document and shall include the following: ''This guidance does not have the force and effect of law and therefore does not establish any rights or obligations for any person and is not binding on the agency or the public. If this guidance suggests how regulated entities may comply with applicable statutes or regulations, noncompliance with this guidance does not conclusively establish a violation of applicable law.''.

(c) DEFINITIONS.—In this section:

(1) FINANCIAL AGENCY.—The term ''financial agency'' means the following:

(A) The Bureau of Consumer Financial Protection.

(B) The Department of Housing and Urban Development.

(C) The Department of the Treasury.

(D) The Federal Deposit Insurance Corporation.

(E) The Federal Housing Finance Agency.

(F) The Board of Governors of the Federal Reserve System.

(G) The National Credit Union Administration.

(H) The Office of the Comptroller of the Currency.

(I) The Securities and Exchange Commission.

(2) GUIDANCE.—The term ‘‘guidance’’ means a financial agency statement of general applicability, intended to have a future effect on the behavior of regulated parties, that sets forth a policy on a statutory, regulatory, or technical issue, or an interpretation of a statute or regulation, but does not include—

(A) a rule promulgated pursuant to notice and comment under section 553 of title 5, United States Code;

(B) a rule exempt from rulemaking requirements under section 553(a) of title 5, United States Code;

(C) a rule of financial agency organization, procedure, or practice under section 553(b)(A) of title 5, United States Code;

(D) a decision of a financial agency adjudication under section 554 of title 5, United States Code, or any similar statutory provision;

(E) internal guidance directed to the issuing financial agency or other agency that is not intended to have a substantial future effect on the behavior of regulated parties; or

(F) internal executive branch legal advice or legal opinions addressed to executive branch officials.

SEC. 403. REGULATORY EFFICIENCY, VERIFICATION, ITEMIZATION, AND ENHANCED WORKFLOW.

Section 2222 of the Economic Growth and Regulatory Paperwork Reduction Act of 1996 (12 U.S.C. 3311) is amended—

(1) by striking ‘‘appropriate Federal banking agency’’ each place such term appears and inserting ‘‘Federal financial institutions regulatory agency’’;

(2) by striking ‘‘appropriate Federal banking agencies’’ and inserting ‘‘Federal financial institutions regulatory agencies’’;

(3) in subsection (a)—

(A) by striking ‘‘represented on the Council’’; and

(B) by striking ‘‘once every 10 years’’ and inserting ‘‘once every 8 years’’;

(4) in subsection (b)—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively (and adjusting the margins accordingly);

(B) by striking "In conducting" and inserting the following:

"(1) SOLICITATION OF PUBLIC COMMENT.—In conducting"; and

(C) by adding at the end the following:

"(2) INTERNAL REVIEW OF CUMULATIVE IMPACT.—Each Federal financial institutions regulatory agency shall conduct an internal review of the cumulative impact of regulations issued by the Federal financial institutions regulatory agency that—

"(A) assesses the effects of such regulations on consumers' access to financial products and services;

"(B) assesses the effects of such regulations on the availability of financial products and services to financial and nonfinancial firms;

"(C) assesses the impact of such regulations on credit availability and financial market liquidity in United States financial markets;

"(D) assess the effects of such regulations on consumer protection;

"(E) assesses the balance of benefits and costs of such regulations with respect to the safety and soundness of the United States financial system and overall economic activity in the United States;

"(F) to the extent practicable, quantifies the direct and indirect economic costs imposed by such regulations; and

"(G) includes recommendations to streamline or eliminate duplicative, outdated, and unnecessarily burdensome regulations.";

(5) in subsection (c)—

(A) by striking "subsection (b)(2)" and inserting "subsection (b)(1)(B), and the internal review under subsection (b)(2),"; and

(B) by striking "once every 10 years" and inserting "once every 8 years";

(6) in subsection (e)—

(A) in paragraph (1), by striking "and" at the end;

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following:

"(2) a summary of the findings and determinations of each Federal financial institutions regulatory agency of the internal review conducted by the Federal financial institutions regulatory agency under subsection (b)(2); and"; and

(D) in paragraph (3), as so redesignated, by striking "the regulatory burdens associated with such issues by regulation" and inserting "the regulatory burdens associated with the issues identified by public comments received by the Council and the Federal financial institutions regulatory agencies, as well as the regulatory burdens identified by each Federal financial institutions regulatory agency through the internal reviews conducted under subsection (b)(2), by regulation"; and

(7) by adding at the end the following:

"(f) FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCY DEFINED.—The term 'Federal financial institutions regulatory agency' has the meaning given that term in section 1003 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3302).".

TITLE V—STRENGTHENING LOCAL BANK FUNDING

SEC. 501. BRINGING THE DISCOUNT WINDOW INTO THE 21ST CENTURY.

Section 10 of the Federal Reserve Act (12 U.S.C. 241 et seq.) is amended by inserting after paragraph (10) the following:

"(11) REVIEW OF DISCOUNT WINDOW OPERATIONS.—

"(A) IN GENERAL.—Not later than 60 days after the date of enactment of this paragraph, the Board of Governors shall commence a review of the discount window lending programs of the Federal reserve banks (the 'discount window'), and shall complete such review not later than 240 days after the date of enactment of this paragraph.

"(B) CONTENTS.—The review required by subparagraph (A) shall include a consideration of—

"(i) the effectiveness of the discount window in providing liquidity to financial institutions, including in times of financial stress;

"(ii) whether the technology infrastructure, including means of communications, are sufficient to support the timely provision of liquidity, including in times of financial stress;

"(iii) the effectiveness of cybersecurity measures implemented with respect to discount window operations;

"(iv) the effectiveness of communications between Federal reserve banks, financial institutions, the Board of Governors, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Secretary of the Treasury regarding discount window operations;

"(v) the effectiveness of the Board of Governors in providing oversight of the discount window and in ensuring consistent access to the discount window across the Federal Reserve System;

"(vi) how the discount window interacts with other providers of liquidity, including the Federal Home Loan Banks, during both normal operations and times of financial distress;

"(vii) the effectiveness of existing discount window operating hours and whether such hours should be expanded, taking into account the interaction between discount window operating hours and the operating hours of payment systems of the Federal reserve banks, such as the Fedwire Funds Service and FedNow Service;

"(viii) the impact of mobile banking and instant communications technology on depositor behavior and liquidity risk posed to financial institutions, including how the discount window can—

"(I) help financial institutions better respond to rapid liquidity shortfalls; and

"(II) prevent broader financial instability; and

"(ix) the effectiveness of the discount window in light of the stigma associated with its usage, ways to reduce such stigma, and ways to improve access, operational efficiency, transparency, and timeliness of the process for financial institutions seeking advances, including on the pricing and other terms of such advances.

"(C) REMEDIATION PLAN.—After the Board of Governors completes the review required by subparagraph (A), the Board of Governors, in consultation with the Federal reserve banks, shall—

"(i) identify deficiencies with the discount window and areas for enhancing discount window effectiveness; and

"(ii) develop a written plan to remediate the identified deficiencies and implement the identified enhancements, which shall include—

"(I) an identification of actions that will be taken to enhance discount window effectiveness and remediate identified deficiencies;

"(II) timelines and milestones for implementing the plan and measures to demonstrate how the implemented improvements will be maintained on an ongoing basis; and

"(III) measures of managing and controlling any deficiencies and current operations until the plan is implemented in full.

"(D) REPORT TO CONGRESS ON REVIEW AND PLAN.—

"(i) IN GENERAL.—Not later than 365 days after the date of enactment of this paragraph, the Board of Governors shall submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

"(I) the findings of the review required by subparagraph (A); and

"(II) the remediation plan required by subparagraph (C).

"(ii) CONSULTATION.—Before submitting the report required by clause (i), the Board of Governors shall—

"(I) provide a copy of the proposed report to the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Secretary of the Treasury; and

"(II) provide the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Secretary of the Treasury with an opportunity to provide feedback on the report.

"(iii) TESTIMONY.—The Chairman of the Board of Governors shall, at the semiannual hearing required under section 2B, testify with respect to the contents of the report required under this subparagraph.

"(E) ANNUAL REPORTS TO CONGRESS.—

"(i) REPORTS BY THE BOARD.—The Board of Governors shall submit an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing a review of the effectiveness of discount window operations and a progress report on the actions taken to implement the identified enhancements described in subparagraph (C).

"(ii) REPORTS BY THE INSPECTOR GENERAL.—The Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall submit an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing a report on the progress of the Board of Governors in implementing the remediation plan required by subparagraph (C).

"(F) CONFIDENTIAL REPORT INFORMATION.—Any report required under this paragraph may contain a confidential annex containing information that, if made public, could—

"(i) impact monetary policy, financial stability, or cybersecurity; or

"(ii) significantly endanger the safety and soundness of any financial institution.

"(G) REPEAL.—This paragraph shall be repealed on the date on which the Board of Governors notifies the Congress and publishes on a public website of the Board of Governors that the remediation plan required under subparagraph (C) has been fully implemented.''.

SEC. 502. KEEPING DEPOSITS LOCAL.

(a) AMOUNT OF RECIPROCAL DEPOSITS THAT ARE NOT CONSIDERED TO BE FUNDS OBTAINED BY OR THROUGH A DEPOSIT BROKER.—Section 29(i)(1)(C) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(i)(1)(C)) is amended by striking ''$96,333,333,333'' and inserting ''$250,000,000,000''.

(b) DEFINITION OF AGENT INSTITUTION.—Section 29(i) of the Federal Deposit Insurance Act (12 U.S.C. 1831f(i)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (i), by striking subclause (I) and inserting the following:

''(I) when most recently examined under section 10(d) was assigned a CAMELS rating of 1, 2, or 3 under the Uniform Financial Institutions Rating System (or an equivalent rating under a comparable rating system); and'';

(B) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(C) by inserting after clause (i) the following:

"(ii) has not yet been examined under section 10(d) and the deposits of which first became insured under this Act during the current calendar year or during the immediately preceding calendar year;"; and

(2) by adding at the end the following:

"(3) RESERVATION OF AUTHORITY.—If an insured depository institution ceases to be an agent institution because it no longer satisfies any of the criteria in paragraph (2)(A), the Corporation may, on a case-by-case basis and upon application, provide a waiver to permit the institution to continue to consider some or all of the deposits previously subject to the exception under paragraph (1) as continuing to be subject to the exception under paragraph (1), for a specific or indefinite period of time, if the Corporation determines that failure to grant such a waiver would negatively impact the safety and soundness of the insured depository institution.".

(c) RECIPROCAL DEPOSITS STUDY.—

(1) IN GENERAL.—The Federal Deposit Insurance Corporation, in consultation with the Board of

Governors of the Federal Reserve System, shall carry out a study on reciprocal deposits.

(2) CONTENTS.—The study required under paragraph (1) shall include—

(A) an analysis of how reciprocal deposits have performed since 2018, which shall include—

(i) the use of quantitative and qualitative data;

(ii) a breakdown of the usage of reciprocal deposits by size of insured depository institution;

(iii) the usage of reciprocal deposits during periods of stress; and

(iv) an analysis, to the extent practicable, of end-user depositors, such as municipalities, businesses, and non-profit organizations, that drive demand for reciprocal products;

(B) an analysis, to the extent practicable, of how reciprocal deposits compare to other deposit arrangements; and

(C) an analysis of the benefits and potential risks of reciprocal deposits.

(3) REPORT.—Not later than 6 months after the date of enactment of this Act, the Federal Deposit Insurance Corporation shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under paragraph (1).

TITLE VI—PROMOTING BANK COMPETITION AND MERGER CLARITY

SEC. 601. BANK COMPETITION MODERNIZATION.

(a) IN GENERAL.—Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)), as amended by section 604(c), is further amended—

(1) in paragraph (4)(C)—

(A) in clause (i), by striking "or" at the end;

(B) in clause (ii), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(iii) the proposed merger transaction would result in an entity with less than $10,000,000,000 in assets and would not result in there being only one insured depository institution with a physical presence in any relevant metropolitan statistical area.''; and

(2) by adding at the end the following:

''(16) FOR MERGER TRANSACTIONS RESULTING IN INSTITUTIONS WITH LESS THAN $10,000,000,000 IN ASSETS AND THAT WOULD NOT RESULT IN THERE BEING ONLY ONE INSURED DEPOSITORY INSTITUTION WITH A PHYSICAL PRESENCE IN ANY RELEVANT METROPOLITAN STATISTICAL AREA.—Notwithstanding paragraph (5), if a proposed merger transaction would result in an institution with less than $10,000,000,000 in assets and would not result in there being only one insured depository institution with a physical presence in any relevant metropolitan statistical area, then the responsible agency shall not consider whether such merger transaction would—

''(A) result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States; and

''(B) have the effect in any section of the country of substantially lessening competition, tending to create a monopoly, or in any other manner restraining trade.''.

(b) FOR BANK HOLDING COMPANIES.—Section 3(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(c)) is amended by adding at the end the following:

"(8) FOR PROPOSED TRANSACTIONS RESULTING IN COMPANIES WITH LESS THAN $10,000,000,000 IN ASSETS AND THAT WOULD NOT RESULT IN THERE BEING ONLY ONE INSURED DEPOSITORY INSTITUTION WITH A PHYSICAL PRESENCE IN ANY RELEVANT METROPOLITAN STATISTICAL AREA.—Notwithstanding paragraph (1), if a proposed acquisition, merger, or consolidation under this section would result in a company with less than $10,000,000,000 in assets and would not result in there being only one insured depository institution with a physical presence in any relevant metropolitan statistical area, then the Board shall not consider whether such acquisition, merger, or consolidation would—

"(A) result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States; and

"(B) have the effect in any section of the country of substantially lessening competition, tending to create a monopoly, or in any other manner restraining trade.''.

(c) FOR SAVINGS AND LOAN HOLDING COMPANIES.—Section 10(e) of the Home Owners' Loan Act (12 U.S.C. 1467a(e)), as amended by section 604(b), is further amended by adding at the end the following:

"(10) FOR PROPOSED TRANSACTIONS RESULTING IN COMPANIES WITH LESS THAN $10,000,000,000 IN ASSETS AND THAT WOULD NOT RESULT IN THERE BEING ONLY ONE INSURED DEPOSITORY INSTITUTION WITH A PHYSICAL PRESENCE IN ANY RELEVANT METROPOLITAN STATISTICAL AREA.—Notwithstanding subparagraphs (A) and (B) of paragraph (2), if a proposed transaction under this section would result in a company with less than $10,000,000,000 in assets and would not result in there being only one insured depository institution with a physical presence in any relevant metropolitan statistical area, then the Board shall not consider whether the transaction would—

"(A) result in a monopoly, or would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the savings and loan business in any part of the United States; and

"(B) have the effect in any section of the country of substantially lessening competition, tending to create a monopoly, or in any other manner restraining trade.".

SEC. 602. MERGER AGREEMENT APPROVALS CLARITY AND PREDICTABILITY.

(a) STUDY.—The Comptroller General of the United States shall carry out a study on the use of commitments, conditions, and other aspects of merger review procedures by Federal depository institution regulatory agencies in connection with insured depository institution merger applications. The study shall—

(1) include an evaluation of relevant quantifiable metrics;

(2) review the extent to which the use of commitments and conditions has aligned with statutory requirements, including a review of whether the use of commitments and conditions has been influenced by extrastatutory issues or considerations;

(3) consider the benefits and risks of utilizing different merger review approaches and procedures in compliance with the law; and

(4) include an evaluation of the impact of such merger review procedures and resulting approved mergers on safety and soundness, financial stability,

competition, and the availability of financial products and services offered by insured depository institutions.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under subsection (a).

(c) DEFINITIONS.—In this section:

(1) APPLICATION.—The term "application" means an application, notice, or other similar request for permission submitted to a Federal depository institution regulatory agency.

(2) FEDERAL DEPOSITORY INSTITUTION REGULATORY AGENCY.—The term "Federal depository institution regulatory agency" means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration Board.

(3) INSURED DEPOSITORY INSTITUTION.—The term "insured depository institution"—

(A) has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) means an insured credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(4) INSURED DEPOSITORY INSTITUTION MERGER APPLICATION.—The term ''insured depository institution merger application'' means an application with respect to the acquisition of an insured depository institution, its equity interests, its assets, or its deposits under—

(A) section 10(e) of the Home Owners' Loan Act (12 U.S.C. 1467a(e));

(B) section 205(b) of the Federal Credit Union Act (12 U.S.C. 1785(b));

(C) section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j));

(D) section 18(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(2));

(E) section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842); and

(F) section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843).

SEC. 603. MERGER PROCESS REVIEW.

(a) REVIEW.—Not later than 1 year after the date of enactment of this Act, and every 3 years thereafter, the Inspector General of each Federal depository institution regulatory agency shall review the Federal depository institution regulatory agency's merger review procedures, including record of timeliness and efficiency in reviewing and acting upon insured depository institution merger applications. The review shall—

(1) include an evaluation of relevant quantifiable metrics, including mean and median application processing times;

(2) identify sources of delay that may hinder the timely consummation of proposals that meet the relevant statutory factors;

(3) consider the benefits and risks of utilizing different merger review approaches and procedures in compliance with the law;

(4) include an evaluation of the impact of such merger review procedures and resulting approved mergers on safety and soundness, financial stability, competition, and the availability of financial products and services offered by insured depository institutions; and

(5) include specific recommendations to improve the merger review process, including timeliness and

efficiency of application processing, consistent with the Federal depository institution regulatory agency's statutory responsibilities.

(b) REPORT.—Each Inspector General described under subsection (a) shall, at the conclusion of each review required under subsection (a), issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the review, and publish such report online.

(c) AGENCY RESPONSE.—In response to each report issued under subsection (a), the appropriate Federal depository institution regulatory agency shall submit to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate and publish online a written response, including a plan to implement the recommendations in the report, to the extent such implementation is appropriate.

(d) DEFINITIONS.—In this section:

(1) APPLICATION.—The term "application" means an application, notice, or other similar request for permission submitted to a Federal depository institution regulatory agency.

(2) FEDERAL DEPOSITORY INSTITUTION REGULATORY AGENCY.—The term ‘‘Federal depository institution regulatory agency’’ means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration.

(3) INSURED DEPOSITORY INSTITUTION.—The term ‘‘insured depository institution’’—

(A) has the meaning given that term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) means an insured credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(4) INSURED DEPOSITORY INSTITUTION MERGER APPLICATION.—The term ‘‘insured depository institution merger application’’ means an application with respect to the acquisition of an insured depository institution, its equity interests, its assets, or its deposits under—

(A) section 10(e) of the Home Owners’ Loan Act (12 U.S.C. 1467a(e));

(B) section 205(b) of the Federal Credit Union Act (12 U.S.C. 1785(b));

(C) section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j));

(D) section 18(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(2));

(E) section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842); and

(F) section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843).

SEC. 604. BANK FAILURE PREVENTION.

(a) BANK HOLDING COMPANIES.—Section 3(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(b)(1)) is amended—

(1) by striking ‘‘Upon receiving’’ and inserting the following:

‘‘(A) IN GENERAL.—Upon receiving’’;

(2) by striking ‘‘required’’ and inserting ‘‘acquired’’;

(3) by striking ‘‘In the event of the failure of the Board to act on any application for approval under this section within the ninety-one-day period which begins on the date of submission to the Board of the complete record on that application, the application shall be deemed to have been granted.’’; and

(4) by adding at the end the following:

"(B) COMPLETE RECORD ON AN APPLICATION.—

"(i) NOTICE TO APPLICANT.—Not later than 30 days after the date on which the Board receives an application for approval under this section, the Board shall transmit to the applicant a letter that either—

"(I) confirms the record on the application is complete; or

"(II) details all additional information that is required for the record on that application to be complete.

"(ii) EXTENSION OF NOTICE.—Notwithstanding clause (i), the Board may, if an application is complex, extend the 30-day period described under clause (i) for an additional period not to exceed 60 days.

"(iii) RECEIPT OF RESPONSE; DEEMING OF COMPLETE RECORD.—Upon receipt of a response from an applicant to a notice requesting additional information described under clause (i)(II), the record on the application shall be deemed complete unless the Board—

"(I) determines that the applicant's response was materially deficient; and

"(II) not later than 30 days after the date on which the Board received the response, provides the applicant a detailed notice describing the deficiencies.

"(iv) TREATMENT OF THIRD-PARTY INFORMATION.—In determining whether the record on an application is complete, the Board may take into account only information provided by the applicant, and may not base the determination of completeness on any information (including reports, views, or recommendations) provided by third parties.

"(C) DEADLINE FOR DETERMINATION.—

"(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), the Board shall grant or deny an application submitted under this section not later than 120 days after the date on which the application was initially submitted to the Board, regardless of whether the record on such initial application was complete.

"(ii) FAILURE TO MAKE A DETERMINATION.—If the Board does not grant or deny an application within the time period described under clause (i), such application shall be deemed to have been granted.

"(iii) TOLLING OF PERIOD.—The Board may at any time extend the deadline described under clause (i) at the request of the applicant, but may not extend the deadline more than 30 days past the deadline described under clause (i).".

(b) SAVINGS AND LOAN HOLDING COMPANIES.—Section 10(e) of the Home Owners' Loan Act (12 U.S.C. 1467a(e)) is amended—

(1) in paragraph (2), by striking ", and shall render a decision within 90 days after submission to the Board of the complete record on the application";

(2) by redesignating paragraph (7) as paragraph (9); and

(3) by inserting after paragraph (6) the following:

"(7) COMPLETE RECORD ON AN APPLICATION.—

"(A) NOTICE TO APPLICANT.—Not later than 30 days after the date on which the Board receives an application for approval under this subsection, the Board shall transmit to the applicant a letter that either—

"(i) confirms the record on the application is complete; or

"(ii) details all additional information that is required for the record on that application to be complete.

"(B) EXTENSION OF NOTICE.—Notwithstanding subparagraph (A), the Board may, if an application is complex, extend the 30-day period described under subparagraph (A) for a period not to exceed 60 days.

"(C) RECEIPT OF RESPONSE; DEEMING OF COMPLETE RECORD.—Upon receipt of a response from an applicant to a notice requesting additional information described under subparagraph (A)(ii), the record on the application shall be deemed complete unless the Board—

"(i) determines that the applicant's response was materially deficient; and

"(ii) not later than 30 days after the date on which the Board received the response, provides the applicant a detailed notice describing the deficiencies.

"(D) TREATMENT OF THIRD-PARTY INFORMATION.—In determining whether the record on an application is complete, the Board may take into account only information provided by the applicant, and may not base the determination of completeness on any information (including reports, views, or recommendations) provided by third parties.

"(8) DEADLINE FOR DETERMINATION.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subsection, the Board shall grant or deny an application submitted under this subsection not later than 120 days after the date on which the application was initially submitted to the Board, regardless of whether the record on such initial application was complete.

"(B) FAILURE TO MAKE A DETERMINATION.—If the Board does not grant or deny an application within the time period described under subparagraph (A), such application shall be deemed to have been granted.

"(C) TOLLING OF PERIOD.—The Board may at any time extend the deadline described under subparagraph (A) at the request of the applicant, but may not extend the deadline more than 30 days past the deadline described under subparagraph (A).".

(c) INSURED DEPOSITORY INSTITUTIONS.—Section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)) is amended by adding at the end the following:

"(14) COMPLETE RECORD ON AN APPLICATION.—

"(A) NOTICE TO APPLICANT.—Not later than 30 days after the date on which the responsible agency receives a merger application for approval under this subsection, the responsible agency shall transmit to the applicant a letter that either—

"(i) confirms the record on the application is complete; or

"(ii) details all additional information that is required for the record on that application to be complete.

"(B) EXTENSION OF NOTICE.—Notwithstanding subparagraph (A), the responsible agency may, if an application is complex, extend the 30-day period described under subparagraph (A) for a period not to exceed 60 days.

"(C) RECEIPT OF RESPONSE; DEEMING OF COMPLETE RECORD.—Upon receipt of a response from an applicant to a notice requesting additional information described under subparagraph (A)(ii), the record on the application shall be deemed complete unless the responsible agency—

"(i) determines that the applicant's response was materially deficient; and

"(ii) not later than 30 days after the date on which the responsible agency received the response, provides the applicant a detailed notice describing the deficiencies.

"(D) TREATMENT OF THIRD-PARTY INFORMATION.—In determining whether the record on an application is complete, the responsible agency may take into account only information provided by the applicant, and may not base the determination of completeness on any information (including reports, views, or recommendations) provided by third parties.

"(15) DEADLINE FOR DETERMINATION.—

"(A) IN GENERAL.—Notwithstanding any other provision of this subsection, the responsible agency shall grant or deny a merger application submitted under this subsection not later than 120 days after the date on which the application was initially submitted to the responsible agency, regardless of whether the record on such initial application was complete.

"(B) FAILURE TO MAKE A DETERMINATION.—If the responsible agency does not grant or deny an application within the time period described under subparagraph (A), such application shall be deemed to have been granted.

"(C) TOLLING OF PERIOD.—The responsible agency may at any time extend the deadline described under subparagraph (A) at the request of the applicant, but may not extend the deadline more than 30 days past the deadline described under subparagraph (A).".

TITLE VII—STRENGTHENING TRANSPARENCY AND INVOLVEMENT IN BANK RESOLUTIONS

SEC. 701. LEAST COST EXCEPTION.

(a) IN GENERAL.—Section 13(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)) is amended—

(1) in subparagraph (A)(ii), by inserting "except as provided in subparagraph (I)," before "the total amount";

(2) in subparagraph (E)(i), by inserting "and except as provided in subparagraph (I)," after "appropriate,"; and

(3) by adding at the end the following:

"(I) LEAST COST RESOLUTION EXCEPTION.—

"(i) IN GENERAL.—With respect to an exercise of authority by the Corporation described in subparagraph (A), the Corporation may, at the discretion of the Corporation, select an alternative method of exercising such authority that is not the least costly to the Deposit Insurance Fund, if—

"(I) the Corporation determines that the selected alternative complies with the requirements of clause (iii); and

"(II) the Corporation and the Board of Governors of the Federal Reserve System, after consultation with the Secretary of the Treasury, determine that the potential additional risks to the Deposit Insurance Fund of the selected alternative are outweighed by the reasonably expected benefits of limiting further concentration of the United States banking system in global systemically important banking organizations.

"(ii) MAXIMUM COST TO THE DEPOSIT INSURANCE FUND.—Not later than 1 year after the date of enactment of this subparagraph, the Corporation, by rule, shall establish criteria for determining on a case-by-case basis the maximum allowable cost against the net worth of the Deposit Insurance Fund that may be utilized to account for any determination under clause (i).

"(iii) REQUIREMENTS DESCRIBED.—The requirements for the selected alternative described in clause (i) are as follows:

"(I) The selected alternative is least costly to the Deposit Insurance Fund of all alternatives that do not involve a transaction with a global systemically important banking organization and that do not exceed the cost of liquidating the insured depository institution.

"(II) The difference between the cost of the selected alternative and the cost of a covered alternative is less than or equal to the maximum cost to the Deposit Insurance Fund specified pursuant to the rule adopted under clause (ii).

"(III) In the case of a selected alternative that involves another person purchasing assets of the insured depository institution or assuming deposit liabilities of the insured depository institution, such person agrees to pay an assessment to the Corporation comprised of payments—

"(aa) made over a period to be determined by the Corporation, but which may not be less than 5 years; and

"(bb) in an amount that takes into account, on a case-by-case basis, criteria the Corporation, by rule, shall establish, including a realistic discount rate, the aggregate amount equal to the difference calculated in subclause (II), and any bid inconsistent with the purposes of this Act, with such rule to be established by the Corporation not later than 1 year after the date of enactment of this subparagraph.

"(iv) REPORT TO CONGRESS.—Not later than 30 days after selecting an alternative described in clause (i), the Corporation shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing an analysis of the economic difference between the cost to the Deposit Insurance Fund of the selected alternative and the cost to the Deposit Insurance Fund of the least costly alternative that would have been selected absent the application of this subparagraph.

"(v) COST DETERMINATIONS.—All cost determinations required under this subparagraph shall be made in accordance with subparagraphs (B) and (C).

"(vi) DEFINITIONS.—In this subparagraph:

"(I) COVERED ALTERNATIVE.—The term 'covered alternative' means a method of exercising authority described in subparagraph (A) that is the least costly to the Deposit Insurance Fund of all such methods that involve a sale of all or substantially all assets of the insured depository institution to, and assumption of all or substantially all deposit liabilities of the insured depository institution by, a global systemically important banking organization.

"(II) GLOBAL SYSTEMICALLY IMPORTANT BANKING ORGANIZATION.—The term 'global systemically important banking organization' means a global systemically important BHC (as such term is defined in section 217.402 of title 12, Code of Federal Regulations, or any successor thereto) and any affiliate thereof.".

(b) RULE OF CONSTRUCTION.—Section 13(c)(4)(H) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(H)) does not apply to the amendments made by subsection (a).

SEC. 702. ENHANCING BANK RESOLUTION PARTICIPATION.

(a) STUDY.—The Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of the Governors of the Federal Reserve System shall, jointly, carry out a study of—

(1) the use by the Comptroller of the Currency of shelf charters, including all conditional or preliminary shelf charter approvals granted between January 1, 2008, and the date of enactment of this Act;

(2) the use by the Federal Deposit Insurance Corporation of the modified bidder qualification process;

(3) the application of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) and section 10 of the Home Owners' Loan Act (12 U.S.C. 1467a) to shelf charter proposals;

(4) whether shelf charters and modified bidder qualification processes were considered or used in connection with the receivership of any insured depository institution for which the Federal Deposit Insurance Corporation was appointed receiver in 2023;

(5) with respect to such receiverships, the extent to which greater use of shelf charters and modified bidder qualification processes could have—

(A) expanded the pool of participants in the acquisition of the assets or liabilities of such failed insured depository institutions;

(B) resulted in greater competition and diversity in market outcomes;

(C) protected the Deposit Insurance Fund; or

(D) strengthened financial stability and reduced the need for any emergency determination by the Secretary of the Treasury under section 13(c)(4)(G) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(G)) with respect to any such receivership;

(6) the impact of the use of shelf charters and modified bidder qualification processes since January 1, 2008, including on financial stability, the safety and soundness of affected insured depository institutions, and the availability of financial products and services provided to consumers by such institutions; and

(7) any benefits and risks of private equity ownership of banks through the use of shelf charters and modified bidder qualification processes.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of the Governors of the Federal Reserve System shall, jointly, submit a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

(1) all findings and determinations made in carrying out the study required under subsection (a); and

(2) an identification of statutory or regulatory barriers to the use and effectiveness of shelf charters

and modified bidder qualification processes in the resolution of failed insured depository institutions, including recommendations for legislative and regulatory changes.

(c) DEFINITIONS.—In this section:

(1) INSURED DEPOSITORY INSTITUTION.—The term "insured depository institution" has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(2) MODIFIED BIDDER QUALIFICATION PROCESS.—The term "modified bidder qualification process" has the meaning given such term in the press release of the Federal Deposit Insurance Corporation titled "FDIC Expands Bidder List for Troubled Institutions Plan Allows Those Without a Bank Charter to Participate in the Process" published November 26, 2008.

(3) SHELF CHARTER.—The term "shelf charter" has the meaning given such term in the report issued by the Comptroller of the Currency titled "Activities Permissible for National Banks and Federal Savings Associations, Cumulative" published October 2017.

SEC. 703. FAILING BANK ACQUISITION FAIRNESS.

(a) CONCENTRATION LIMIT EXCEPTIONS ONLY AVAILABLE TO AVOID SERIOUS ADVERSE ECONOMIC OR FINANCIAL EFFECTS.—

(1) CONCENTRATION LIMITS WITH RESPECT TO DEPOSITS.—

(A) FEDERAL DEPOSIT INSURANCE ACT.— The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(i) in section 18(c)(13)—

(I) by amending subparagraph (B) to read as follows:

''(B) Subparagraph (A) shall not apply to an interstate merger transaction if—

''(i) such interstate merger transaction involves 1 or more insured depository institutions in default or in danger of default and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from a company that is not subject to the prohibition in subparagraph (A); or

''(ii) the Corporation provides assistance under section 13 to facilitate such interstate merger transaction and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from a company that is not subject to the prohibition in subparagraph (A).''; and

(II) in subparagraph (C)—

(aa) in clause (i), by striking ''and'' at the end;

(bb) in clause (ii), by striking the period at the end and inserting a semicolon; and

(cc) by adding at the end the following:

''(iii) the term 'qualified bid' means an application, proposed application, or bid from a company where—

''(I) if applicable, the company, any affiliate insured depository institution, and any affiliate depository institution holding company are well capitalized and well managed, as of the date of the application, proposed application, or bid; and

"(II) upon consummation of the transaction, the resulting insured depository institution is well capitalized;

"(iv) the term 'well capitalized'—

"(I) with respect to an insured depository institution, has the meaning given such term in section 38(b) (12 U.S.C. 1831o(b));

"(II) with respect to a bank holding company, has the meaning given such term in section 2(o)(1)(B) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(o)(1)(B));

"(III) with respect to a savings and loan holding company, has the meaning given such term in section 238.2 of title 12, Code of Federal Regulations; and

"(IV) with respect to a company that is not an insured depository institution, bank holding company, or savings and loan holding company, means maintaining equity capital that the Corporation determines is commensurate with the capital maintained by an insured depository institution that is well capitalized; and

"(v) the term 'well managed' has the meaning given such term in section 2(o)(9) of the Bank

Holding Company Act of 1956 (12 U.S.C. 1841(o)(9)).''; and

(ii) in section 44, by amending subsection (e) to read as follows:

''(e) EXCEPTION FOR BANKS IN DEFAULT OR IN DANGER OF DEFAULT.—

''(1) GENERAL EXCEPTION.—The responsible agency may, without regard to paragraph (1), (3), (4), or (5) of subsection (b) or paragraph (2), (4), or (5) of subsection (a), approve an application under subsection (a)(1) for approval of a merger transaction if—

''(A) the merger transaction involves 1 or more banks in default or in danger of default; or

''(B) the Corporation provides assistance under section 13(c) to facilitate such merger transaction.

''(2) CONCENTRATION LIMIT EXCEPTION.—The responsible agency may, without regard to subsection (b)(2), approve an application under subsection (a)(1) for approval of a merger transaction if—

''(A) the merger transaction involves 1 or more banks in default or in danger of default and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in subsection (b)(2); or

"(B) the Corporation provides assistance under section 13(c) to facilitate such merger transaction and the responsible agency determines, based on clear and convincing evidence, that consummation of the proposed interstate merger transaction is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in subsection (b)(2).

"(3) QUALIFIED BID DEFINED.—In this subsection, the term 'qualified bid' has the meaning given that term in section 18(c)(13)(C).".

(B) BANK HOLDING COMPANY ACT OF 1956.—The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended—

(i) in section 3(d), by amending paragraph (5) to read as follows:

"(5) EXCEPTION FOR BANKS IN DEFAULT OR IN DANGER OF DEFAULT.—

"(A) GENERAL EXCEPTION.—The Board may, without regard to subparagraph (B) or (D) of paragraph (1) or paragraph (3), approve an application pursuant to paragraph (1)(A) if—

"(i) the application is for an acquisition of 1 or more banks in default or in danger of default; or

"(ii) the application is for an acquisition with respect to which assistance is provided under section 13(c) of the Federal Deposit Insurance Act.

"(B) CONCENTRATION LIMIT EXCEPTION.—The Board may, without regard to paragraph (2), approve an application pursuant to paragraph (1)(A) if—

"(i) the application is for the acquisition of 1 or more banks in default or in danger of default and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in paragraph (2); or

"(ii) the application is for an acquisition with respect to which assistance is provided under section 13(c) of the Federal Deposit Insurance Act and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid from another institution that is not subject to the prohibition in paragraph (2).

"(C) QUALIFIED BID DEFINED.—In this paragraph, the term 'qualified bid' has the meaning given that term in section 18(c)(13)(C) of the Federal Deposit Insurance Act.''; and

(ii) in section 4(i)(8), by amending subparagraph (B) to read as follows:

''(B) EXCEPTION.—Subparagraph (A) shall not apply to an acquisition if—

''(i) such acquisition involves an insured depository institution in default or in danger of default and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in paragraph (2); or

''(ii) the Federal Deposit Insurance Corporation provides assistance under section 13 of the Federal Deposit Insurance Act to facilitate such acquisition and the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in paragraph (2).''.

(2) CONCENTRATION LIMIT WITH RESPECT TO CONSOLIDATED LIABILITIES.—Section 14(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1852(c)) is amended—

(A) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(B) by striking ''With the'' and inserting the following:

''(1) IN GENERAL.—With the''; and

(C) by adding at the end the following:

''(2) LIMITATION.—The Board may provide written consent for an acquisition described in paragraph (1)(A) or in paragraph (1)(B) only if the Board determines, based on clear and convincing evidence, that consummation of the proposed acquisition is necessary to prevent significant economic disruption or significant adverse effects on financial stability, and the Corporation has not received any qualified bid (as defined in section 18(c)(13)(C) of the Federal Deposit Insurance Act) from another institution that is not subject to the prohibition in subsection (b).''.

(b) CONGRESSIONAL NOTIFICATION AND JUSTIFICATION FOR WAIVERS.—

(1) IN GENERAL.—Whenever the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, or the Federal Deposit Insurance Corporation waives a concentration limit under section 18(c)(13)(B) or section 44(e) of the Federal Deposit Insurance Act or under section 3(d)(5), section 4(i)(8)(B), or section 14(c)(2) of the Bank Holding Company Act of 1956, in connection with the acquisition of a bank or insured depository institution in default or in danger of default, or in connection with an acquisition with respect to which the Federal Deposit Insurance Corporation provides assistance under section 13 of the Federal Deposit Insurance Act, the waiving agency and the Federal Deposit Insurance Corporation, jointly, shall, not

later than 30 days after such waiver, submit a written report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs in the Senate containing—

(A) a justification for the waiver, including an analysis of why it was necessary to prevent significant economic disruption or significant adverse effects on financial stability;

(B) a description of alternative bids or outcomes considered, including efforts to solicit and encourage bids from entities that would not require a waiver;

(C) an explanation of why alternative bids were not selected, if applicable; and

(D) any recommendations for legislative or regulatory changes to improve competition in future insured depository institution resolutions.

(2) PUBLIC DISCLOSURE.—The waiving agency submitting a report under paragraph (1) and the Federal Deposit Insurance Corporation shall make the report publicly available on their respective websites, subject to redactions for confidential supervisory information and any other information de-

scribed under section 552(b) of title 5, United States Code.

(c) LIMITATION ON CONSIDERING BAD FAITH BIDS IN LEAST COST DETERMINATION.—Section 13(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)), as amended by section 701(a)(3), is further amended by adding at the end the following:

"(J) LIMITATION ON CONSIDERING BAD FAITH BIDS.—In making a determination under this paragraph of whether an exercise of authority is the least costly to the Deposit Insurance Fund, any application, proposed application, or bid that would result in violation of—

"(i) section 18(c)(13) or 44(b)(2), or

"(ii) section 3(d)(2), 4(i)(8), or 14 of the Bank Holding Company Act of 1956,

shall not be considered a possible method for meeting the Corporation's obligation under this section for purposes of subparagraph (A).".

TITLE VIII—FACILITATING INNOVATION AND BANK PARTNERSHIPS

SEC. 801. MERCHANT BANKING MODERNIZATION.

(a) IN GENERAL.—Section 4(k)(7)(A) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)(7)(A)) is amended by inserting ‘‘Under such regulations, the period of time generally permitted for holding merchant banking investments shall not be less than 15 years. For any merchant banking investment held on the date of enactment of the Main Street Act, the holding period of time permitted shall not be less than 15 years from the initial date of the investment.’’ after the period at the end.

(b) MERCHANT BANKING STUDY.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall carry out a study on merchant banking investments to assess—

(A) the number, investment size, holding period, and risk characteristics of merchant banking investments by financial holding companies, with the assessment of investment sizes and holding periods based on the average, median, and distribution of the investment sizes and holding periods;

(B) the types of businesses, projects, assets, and activities in which such merchant banking investments are made, including the extent to which such merchant banking investments support infrastructure projects and housing development and construction; and

(C) any information, analyses, or findings related to merchant banking investments that the Board determines to be relevant.

(2) REPORT.—Not later than the end of the 18-month period beginning on the date of enactment of this Act, the Board shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under this subsection.

SEC. 802. BANK-FINTECH PARTNERSHIP ENHANCEMENT.

(a) STUDY ON BANK-FINTECH PARTNERSHIPS.—

(1) STUDY.—The Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation shall carry out a study of—

(A) the impact of partnerships between banking organizations, on the one hand, and financial technology companies, on the other hand, on the banking sector, competition, innovation, consumer protection, and the availability of financial products and services, including the extent to which these partnerships support the formation of new banking organizations, reduce time to market for products and services, lower compliance burdens, boost customer acquisition, improve technological capabilities, and provide access to more diverse funding sources; and

(B) what changes to Federal laws governing banking organizations, or to rules or guidance adopted by the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, or the Federal Deposit Insurance Corporation, may help promote effective partnerships between banking organizations, on the one hand, and financial technology companies, on the other hand.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under paragraph (1).

(3) BANKING ORGANIZATION DEFINED.—In this subsection, the term ''banking organization'' means a depository institution holding company or an insured depository institution, as such terms are defined, respectively, under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(b) STUDY ON CREDIT UNION-FINTECH PARTNERSHIPS.—

(1) STUDY.—The National Credit Union Administration shall carry out a study of—

(A) the impact of partnerships between credit unions, on the one hand, and financial technology companies, on the other hand, on the credit union sector, competition, innovation, consumer protection, and the availability of financial products and services, including the extent to which these partnerships support the formation of new credit unions, reduce time to market for products and services, lower compliance burdens, boost customer acquisition, improve technological capabilities, and provide access to more diverse funding sources; and

(B) what changes to Federal laws governing credit unions, or to rules or guidance adopted by the National Credit Union Administration, may help promote effective partnerships between credit unions, on the one hand, and financial technology companies, on the other hand.

(2) REPORT.—Not later than 1 year after the date of enactment of this Act, the National Credit Union Administration shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing all findings and determinations made in carrying out the study required under paragraph (1).

SEC. 803. DISCRETIONARY SURPLUS FUND.

(a) IN GENERAL.—The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by $425,000,000.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on September 1, 2036.