119TH CONGRESS
2D SESSION

S. ______

To amend the Financial Stability Act of 2010 to provide for tailoring and indexing enhanced regulations.

IN THE SENATE OF THE UNITED STATES

Mrs. BRITT introduced the following bill; which was read twice and referred to the Committee on ____________________

A BILL

To amend the Financial Stability Act of 2010 to provide for tailoring and indexing enhanced regulations.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAILORING AND INDEXING ENHANCED REGULATIONS.

(a) INITIAL THRESHOLD ADJUSTMENTS.—

(1) BANK HOLDING COMPANY ACT OF 1956.—Section 4(k)(6)(B)(ii) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)(6)(B)(ii)) is amended, by striking "$10,000,000,000" and inserting "$15,000,000,000".

(2) ECONOMIC GROWTH, REGULATORY RELIEF, AND CONSUMER PROTECTION ACT.—Section 401(f) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (12 U.S.C. 5365 note) is amended by striking "$250,000,000,000" and inserting "$370,000,000,000".

(3) FEDERAL RESERVE ACT.—The second subsection (s) (relating to assessments) of section 11 of the Federal Reserve Act (12 U.S.C. 248(s)) is amended—

(A) in paragraph (2), by striking "$100,000,000,000" each place the term appears and inserting "$150,000,000,000"; and

(B) in paragraph (3), by striking "$100,000,000,000 and $250,000,000,000" and inserting "$150,000,000,000 and $370,000,000,000".

(4) FINANCIAL STABILITY ACT OF 2010.—The Financial Stability Act of 2010 (12 U.S.C. 5311 et seq.) is amended—

(A) in section 116(a) (12 U.S.C. 5326(a)), by striking "$250,000,000,000" and inserting "$370,000,000,000";

(B) in section 121(a) (12 U.S.C. 5331(a)), by striking ‘‘$250,000,000,000’’ and inserting ‘‘$370,000,000,000’’;

(C) in section 163(b) (12 U.S.C. 5363(b))—

(i) by striking ‘‘$250,000,000,000’’ each place that term appears and inserting ‘‘$370,000,000,000’’; and

(ii) by striking ‘‘$10,000,000,000’’ and inserting ‘‘$15,000,000,000’’;

(D) in section 164 (12 U.S.C. 5364), by striking ‘‘$250,000,000,000’’ and inserting ‘‘$370,000,000,000’’; and

(E) in section 165 (12 U.S.C. 5365)—

(i) in subsection (a)—

(I) in paragraph (1), by striking ‘‘$250,000,000,000’’ and inserting ‘‘$370,000,000,000’’; and

(II) in paragraph (2)(C), by striking ‘‘$100,000,000,000’’ and inserting ‘‘$150,000,000,000’’;

(ii) in subsection (h)(2), by striking ‘‘$50,000,000,000’’ each place that term appears and inserting ‘‘$75,000,000,000’’;

(iii) in subsection (i)(2)(A), by striking "$250,000,000,000" and inserting "$370,000,000,000"; and

(iv) in subsection (j)(1), by striking "$250,000,000,000" and inserting "$370,000,000,000".

(b) 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 (12 U.S.C. 248).

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

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

"(B) section 401(f) of the Economic Growth, Regulatory Relief, and Consumer Protection Act (12 U.S.C. 5365 note).

"(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) GREATER THAN $100,000,000,000.—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) LESS THAN $100,000,000,000.—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 180 days after the date of enactment of this Act, 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).".

(c) 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.".