

115TH CONGRESS
2D SESSION

H. R. 4790

To amend the Volcker rule to give the Board of Governors of the Federal Reserve System sole rulemaking authority, to exclude community banks from the requirements of the Volcker rule, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 12, 2018

Mr. HILL introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To amend the Volcker rule to give the Board of Governors of the Federal Reserve System sole rulemaking authority, to exclude community banks from the requirements of the Volcker rule, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. RULEMAKING AUTHORITY UNDER THE**
4 **VOLCKER RULE.**

5 (a) IN GENERAL.—Section 13(b) of the Bank Hold-
6 ing Company Act of 1956 (12 U.S.C. 1851(b)) is amend-
7 ed—

1 (1) in the subsection heading, by striking “AND
2 RULEMAKING” and inserting “, RULEMAKING, EX-
3 AMINATIONS, AND ENFORCEMENT”;

4 (2) by amending paragraph (2) to read as fol-
5 lows:

6 “(2) RULEMAKING.—The Board shall have sole
7 authority to—

8 “(A) issue regulations under this section
9 after the date of the enactment of this para-
10 graph; and

11 “(B) amend any regulations issued under
12 this section before, on, or after such date.”; and

13 (3) by adding at the end the following new
14 paragraph:

15 “(3) EXAMINATION AND ENFORCEMENT AU-
16 THORITY.—

17 “(A) PRIMARY FEDERAL BANKING AGEN-
18 CY.—The primary Federal banking agency for a
19 banking entity shall have sole authority to con-
20 duct examinations of all affiliates of the bank-
21 ing group to ensure compliance with this sec-
22 tion and to enforce the requirements of this sec-
23 tion. The primary Federal banking agency shall
24 keep the Board informed of all examinations of
25 and any proposed supervisory or enforcement

1 actions against any affiliate of the banking enti-
2 ty and shall ensure that all actions taken
3 against any affiliate of the banking group are
4 consistent with the Board’s interpretation of
5 this section and rules promulgated thereunder.

6 “(B) DEFINITIONS.—For purposes of this
7 paragraph, the term ‘primary Federal banking
8 agency’ means, with respect to any banking
9 group, the appropriate Federal banking agency
10 for an affiliate within the banking group with
11 the highest amount of unconsolidated assets as
12 of the most recent quarter.”.

13 (b) CONFORMING AMENDMENTS.—Section 13 of the
14 Bank Holding Company Act of 1956 (12 U.S.C. 1851)
15 is amended—

16 (1) by striking “the appropriate Federal bank-
17 ing agencies, the Securities and Exchange Commis-
18 sion, and the Commodity Futures Trading Commis-
19 sion,” each place it appears and inserting “the
20 Board”;

21 (2) by striking “appropriate Federal banking
22 agencies, the Securities and Exchange Commission,
23 and the Commodity Futures Trading Commission”
24 and inserting “Board”;

1 (3) in subsection (c)(5), by striking “Notwith-
2 standing paragraph (2)” and all that follows
3 through “provided in subsection (b)(2),” and insert-
4 ing “The Board shall have the authority”;

5 (4) in subsection (d)(1)—

6 (A) in subparagraph (F)(ii)—

7 (i) by striking “the appropriate Fed-
8 eral banking agencies” and inserting “the
9 Board”; and

10 (ii) by striking “have not jointly” and
11 inserting “has not”; and

12 (B) in subparagraph (G)(viii), by striking
13 “appropriate Federal banking agencies, the Se-
14 curities and Exchange Commission, or the Com-
15 modity Futures Trading Commission,” each
16 place it appears and inserting “Board”; and

17 (5) in subsection (e)(2)—

18 (A) by striking “an appropriate Federal
19 banking agency, the Securities and Exchange
20 Commission, or the Commodity Futures Trad-
21 ing Commission, as appropriate,” and inserting
22 “the Board”; and

23 (B) by striking “under the respective agen-
24 cy’s jurisdiction”.

1 **SEC. 2. EXCLUSION OF COMMUNITY BANKS FROM VOLCKER**

2 **RULE.**

3 Section 13(h)(1) of the Bank Holding Company Act
4 of 1956 (12 U.S.C. 1851(h)(1)) is amended—

5 (1) in subparagraph (D), by redesignating
6 clauses (i) and (ii) as subclauses (I) and (II), respec-
7 tively, and moving such subclauses 2 ems to the
8 right;

9 (2) by redesignating subparagraphs (A), (B),
10 (C), and (D) as clauses (i), (ii), (iii), and (iv), re-
11 spectively, and moving such clauses 2 ems to the
12 right;

13 (3) by striking “The term” and inserting the
14 following:

15 “(A) IN GENERAL.—The term”; and

16 (4) by adding at the end the following:

17 “(B) EXCLUSION.—Notwithstanding sub-
18 paragraph (A), the term ‘banking entity’ does
19 not include any entity that has total consoli-
20 dated assets of \$10,000,000,000 or less.”.

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