

S 798

TBTF Act

Congress: 113 (2013–2015, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Apr 24, 2013

Current Status: Committee on Banking, Housing, and Urban Affairs Subcommittee on Financial Institutions and Consumer

Latest Action: Committee on Banking, Housing, and Urban Affairs Subcommittee on Financial Institutions and Consumer Protection. Hearings held. (Jan 8, 2014)

Official Text: <https://www.congress.gov/bill/113th-congress/senate-bill/798>

Sponsor

Name: Sen. Brown, Sherrod [D-OH]

Party: Democratic • **State:** OH • **Chamber:** Senate

Cosponsors (7 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Kirk, Mark Steven [R-IL]	R · IL		Apr 24, 2013
Sen. Sessions, Jeff [R-AL]	R · AL		Apr 24, 2013
Sen. Vitter, David [R-LA]	R · LA		Apr 24, 2013
Sen. Durbin, Richard J. [D-IL]	D · IL		Apr 25, 2013
Sen. Sanders, Bernard [I-VT]	I · VT		Aug 1, 2013
Sen. Udall, Tom [D-NM]	D · NM		Aug 1, 2013
Sen. Harkin, Tom [D-IA]	D · IA		Sep 19, 2013

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Hearings By (subcommittee)	Jan 8, 2014

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
113 S 872	Related bill	May 7, 2013: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Terminating Bailouts for Taxpayer Fairness Act of 2013 or TBTF Act - Requires federal banking agencies to establish capital requirements for the ratio of equity capital to total consolidated assets for all financial institutions.

Prohibits such requirements from requiring a financial institution with more than \$50 billion in total consolidated assets to have a ratio of less than 8% of equity capital to total consolidated assets.

Requires the equity capital requirement for a financial institution with \$50 billion or less in total consolidated assets to be comparable to federal banking requirements established under specified regulations for prompt corrective actions and for capital adequacy in effect as of May 1, 2013.

Directs the Federal Deposit Insurance Corporation (FDIC) to: (1) study historical equity capital ratios chosen by large depository institutions before the advent of the Federal Reserve System, federal deposit insurance, and the federal income tax (policies) encouraged depositories to favor more highly leveraged deposit and debt funding; and (2) structure the capital surcharge for financial institutions with at least \$500 billion in total consolidated assets so that it fully accounts for and offsets any distortion of capital levels by such policies.

Directs the federal banking agencies to establish equity capital surcharges for each financial institution having at least \$500 billion in total consolidated assets.

Authorizes capital requirements to increase continuously as a percentage of total consolidated assets as such assets increase.

Prescribes anti-evasion and implementation measures.

Directs the Board of Governors of the Federal Reserve System (Board), the FDIC, and the Comptroller of the Currency to establish capital requirements for each affiliate and subsidiary of a financial institution that are no less stringent than those established under this Act. Exempts from such requirements any financial institution with less than \$50 billion in total consolidated assets.

Amends the Home Owner's Loan Act to prohibit the Board from prescribing or imposing capital or capital adequacy rules, guidelines, standards, or requirements on any functionally regulated subsidiary of a savings and loan holding company or functionally regulated affiliate of certain savings associations.

Permits federal banking agencies, in order to measure the relative risk of certain assets and prevent investment in excessive amounts of riskier assets, to establish supplemental risk-based capital requirements for any financial institution with more than \$20 billion in total consolidated assets (or any affiliate or subsidiary). Prohibits a federal banking agency from implementing such requirements for such a financial institution unless all federal banking agencies agree that bank supervision is insufficient to prevent excessive concentration of riskier assets.

Prohibits the Board, the FDIC, and the Comptroller of the Currency from any further implementation of federal banking agencies rules regarding "Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems."

Amends the Federal Reserve Act to permit only an insured depository institution that is a member bank with less than \$50 billion of total consolidated assets (or affiliate or subsidiary) to engage in a covered transaction with another affiliate or subsidiary that is not an insured depository institution, with certain exceptions.

Prohibits the affiliate or subsidiary of a financial institution, insured depository institution, or nonbank financial institution, except in connection with its resolution or receivership, from receiving certain federal assistance, including asset purchases, loans, investments in debt or equity, or capital injections, or through the Exchange Stabilization Fund, the Deposit Insurance Fund, or through the Board. Excludes from this prohibition transactions or operations implementing monetary policy matters under the direction of either the Board or the Federal Open Market Committee.

Amends the Securities Exchange Act of 1934 to require an issuer that is a savings and loan holding company to register with the Securities and Exchange Commission (SEC) if: (1) its assets exceed \$10 million, and (2) it has a class of equity security held of record by 2,000 or more persons.

Amends the Federal Financial Institutions Examination Council Act of 1978 to establish an Office of Examination Ombudsman.

Amends the Gramm-Leach-Bliley Act to exempt certain financial institutions from mandatory annual written disclosures.

Amends the Equal Credit Opportunity Act to exempt an entity with less than \$10 billion in total consolidated assets from the requirement to collect certain data from women-owned, minority-owned, or small business credit applicants.

Actions Timeline

- **Jan 8, 2014:** Committee on Banking, Housing, and Urban Affairs Subcommittee on Financial Institutions and Consumer Protection. Hearings held.
- **Apr 24, 2013:** Introduced in Senate
- **Apr 24, 2013:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.