

HR 3189

FORM Act of 2015

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Jul 23, 2015

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Dec 17, 2015)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/3189>

Sponsor

Name: Rep. Huizenga, Bill [R-MI-2]

Party: Republican • **State:** MI • **Chamber:** House

Cosponsors (20 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Emmer, Tom [R-MN-6]	R · MN		Jul 27, 2015
Rep. Fincher, Stephen Lee [R-TN-8]	R · TN		Jul 27, 2015
Rep. Messer, Luke [R-IN-6]	R · IN		Jul 27, 2015
Rep. Stutzman, Marlin A. [R-IN-3]	R · IN		Jul 27, 2015
Rep. Williams, Roger [R-TX-25]	R · TX		Jul 27, 2015
Rep. Garrett, Scott [R-NJ-5]	R · NJ		Jul 28, 2015
Rep. Mulvaney, Mick [R-SC-5]	R · SC		Jul 28, 2015
Rep. Hultgren, Randy [R-IL-14]	R · IL		Jul 29, 2015
Rep. Rothfus, Keith J. [R-PA-12]	R · PA		Jul 29, 2015
Rep. Allen, Rick W. [R-GA-12]	R · GA		Sep 10, 2015
Rep. Benishek, Dan [R-MI-1]	R · MI		Sep 10, 2015
Rep. Gohmert, Louie [R-TX-1]	R · TX		Sep 10, 2015
Rep. Guinta, Frank C. [R-NH-1]	R · NH		Sep 10, 2015
Rep. Mooney, Alexander X. [R-WV-2]	R · WV		Sep 10, 2015
Rep. Weber, Randy K., Sr. [R-TX-14]	R · TX		Sep 10, 2015
Rep. Wittman, Robert J. [R-VA-1]	R · VA		Sep 10, 2015
Rep. Flores, Bill [R-TX-17]	R · TX		Sep 17, 2015
Rep. Gosar, Paul A. [R-AZ-4]	R · AZ		Sep 17, 2015
Rep. Pittenger, Robert [R-NC-9]	R · NC		Sep 18, 2015
Rep. Tipton, Scott R. [R-CO-3]	R · CO		Sep 18, 2015

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Dec 17, 2015
Financial Services Committee	House	Hearings By (subcommittee)	Jul 22, 2015
Oversight and Government Reform Committee	House	Discharged From	Nov 16, 2015

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
114 HR 5983	Related bill	Dec 20, 2016: Placed on the Union Calendar, Calendar No. 693.
114 HR 5429	Related bill	Sep 28, 2016: Placed on the Union Calendar, Calendar No. 622.
114 HR 24	Related bill	Jul 14, 2016: Placed on the Union Calendar, Calendar No. 536.
114 S 2232	Related bill	Jan 12, 2016: Motion to proceed to consideration of measure withdrawn in Senate. (consideration: CR S63)
114 HRES 529	Procedurally related	Nov 18, 2015: Motion to reconsider laid on the table Agreed to without objection.

Fed Oversight Reform and Modernization Act of 2015 or the FORM Act of 2015

(Sec. 1) This bill amends the Federal Reserve Act to require the Chairman of the Federal Open Market Committee (FOMC), within 48 hours after the end of a FOMC meeting, to submit to the appropriate congressional committees and the Government Accountability Office (GAO) a Directive Policy Rule, meeting specified criteria, accompanied by a statement identifying the FOMC members voting in its favor.

A Directive Policy Rule shall describe the FOMC strategy or rule for the systematic quantitative adjustment of a Policy Instrument Target to:

- respond to a change in specified Intermediate Policy Inputs, and
- provide the basis for an Open Market Operations Directive to achieve a specified Policy Instrument Target presented by the FOMC to the Federal Reserve Bank of New York to guide open-market operations.

The GAO shall determine if a Directive Policy Rule has materially changed from the rule most recently submitted, and the Chairman of the Board of Governors of the Federal Reserve System (Board) must testify within seven legislative days before certain congressional committees as to why any noncompliance exists.

The GAO must also, upon congressional request, audit the conduct of monetary policy by the Board and the FOMC.

(Sec. 2) A blackout period shall take place starting one week before an FOMC meeting and ending midnight of the day of its completion. During the black-out period only specified public communications are permissible by members and FOMC staff with respect to either macroeconomic or financial developments or about current or prospective monetary policy issues.

(Sec. 4) FOMC membership shall increase from five to six representatives of the Federal Reserve Banks. The selection process for representatives is revised, in part to divide elections from different Banks into odd-numbered and even-numbered calendar years.

(Sec. 5) The Dodd-Frank Wall Street Reform and Consumer Protection Act is amended to require the Board, before adopting sets of conditions for stress tests of nonbank financial companies it supervises and bank holding companies, to: (1) first issue regulations for them, subject to public notice and comment, which shall include methodologies and models used to estimate losses on certain assets; and (2) before publishing them submit copies of such regulations to the GAO and the Panel of Economic Advisors of the Congressional Budget Office.

Stress test requirements used by the Board shall apply to all stress tests performed under the Comprehensive Capital Analysis and Review exercise.

The Board shall also publish:

- the aggregate number of supervisory letters sent since the enactment of this Act to bank holding companies with total consolidated assets of \$50 billion or more, and keep this number updated; as well as
- the aggregate numbers designated "Matters Requiring Attention" and "Matters Requiring Immediate Attention."

(Sec. 6) The Federal Reserve Act is further amended to increase from semiannual to quarterly the Board Chairman's appearances before Congress.

(Sec. 7) The Board's Vice Chairman for Supervision, as part of Board testimony before specified congressional committees, shall report on the status of proposed and anticipated rulemakings. If the Vice Chairman for Supervision position is vacant, the Board's Vice Chairman shall fulfill the statutory requirement for semi-annual testimony.

(Sec. 8) Before issuing any regulation the Board must consider specified economic impacts.

When deciding whether to regulate, the Board must:

- assess the costs and benefits of available regulatory alternatives, and
- consider a regulation's impact upon certain areas of economic activity.

In its final rule the Board must: (1) explain the nature of comments that it received together with a response to them; and (2) make a postadoption impact assessment of the costs, benefits, and intended and unintended consequences of any "major rule" adopted or amended.

(Sec. 9) Board members and employees shall be subject to the same ethics standards, prohibitions, and restrictions as apply to employees of the Securities and Exchange Commission (SEC) with respect to financial interests, transactions, outside employment and activities, and Office of Personnel Management employee responsibilities and conduct regulations.

The Board shall make publicly available on its website a searchable database of all Board members, officers, and employees who receive an annual salary above the annual rate of basic pay for GS-15 of the General Schedule, including yearly salary information and any nonsalary compensation such staff receive.

Each Board member may employ at least two individuals.

(Sec. 10) Both the Federal Reserve Act and the Federal Deposit Insurance Act are revised to require the Federal Reserve Board and the Federal Deposit Insurance Corporation Board, respectively, in the process of setting financial standards as a part of any foreign or multinational entity, to solicit public comment and issue public reports, including a notice of agreement.

The Department of the Treasury, the Comptroller of the Currency, and the SEC shall likewise be subject to these same requirements for their participation in similar processes.

(Sec. 11) The authority of the Federal Reserve Board to discount notes, drafts, and bills of exchange secured to a Federal Reserve Bank's satisfaction in unusual and exigent circumstances shall be limited to only those circumstances posing a threat to U.S. financial stability. The affirmative vote of at least nine presidents of the Federal Reserve Banks shall be necessary for a discount decision, in addition to (as under current law) the affirmative vote of five Board members.

Federal Reserve Banks may not accept as collateral for an emergency loan any equity securities issued by the recipient of the loan or of other financial assistance.

No applicant shall be eligible to borrow from any emergency lending program or facility unless the Board and all applicable federal banking regulators certify that the applicant is not insolvent.

The Board, within six months of the enactment of this Act, shall adopt a rule:

- establishing a method for determining the sufficiency of collateral pledged to secure lending,

acceptable classes of collateral,

- the amount of any discount of the lendable value of collateral for a loan that the Federal Reserve Banks will apply to calculate the sufficiency of the collateral, and
- a method for obtaining independent appraisals of the collateral the Federal Reserve Banks receive.

The Board, also within six months of the enactment of this Act, shall by rule establish a minimum interest rate on the principal amount of any emergency loan or financial assistance to a recipient. The applicable minimum interest rate shall be the sum of:

- the most recent 90-day average of the secondary discount rate of all Federal Reserve Banks; plus
- the most recent 90-day average of the difference between a distressed corporate bond yield index and a bond yield index of debt issued by the United States.

The bill limits discounts under the lending program to participants that are financial institutions, excluding federal, state, and local government agencies.

(Sec. 12) The FOMC shall determine the interest rates on balances maintained at a Federal Reserve Bank by or on behalf of a depository institution.

(Sec. 13) The GAO shall audit annually both the Federal Reserve Board and the Federal Reserve Banks within 12 months after enactment of this Act.

(Sec. 14) The Board, shall, as part of its monthly "Industrial Production or Capacity Utilization" statistical release (or any successor release), analyze:

- the impact on the index described in the statistical release because of the operation of the Export-Import Bank; and
- the amount of foreign industrial production supported by foreign export credit agencies, using the same method used to measure industrial production in the statistical release and scaled to be comparable to the industrial production measurement for the United States.

(Sec. 15) The Federal Reserve Act is amended to require that, with respect to the election or designation of Class B and C directors of Federal Reserve District Banks, due consideration be given to the interests of traditionally underserved communities and populations.

(Sec. 16) *Centennial Monetary Commission Act of 2015*

The bill establishes a Centennial Monetary Commission to examine how U.S. monetary policy since the creation of the Board in 1913 has affected the performance of the U.S. economy in terms of output, employment, prices, and financial stability over time.

(Sec. 17) The Federal Reserve Act is amended to state that the portion of net earnings of each Federal Reserve Bank which remains after dividend claims have been fully met shall no longer be deposited in the Bank's surplus fund but shall be transferred to the Board for transfer to the Treasury general fund. The Federal Reserve Banks shall also transfer all their current surplus funds to the Board for transfer to the Treasury general fund.

(Sec. 18) The FOMC shall record and make available to the public the full transcript of all of its meetings.

Actions Timeline

- **Dec 17, 2015:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Nov 30, 2015:** Received in the Senate.
- **Nov 19, 2015:** Considered as unfinished business. (consideration: CR H8378-8381)
- **Nov 19, 2015:** Ms. Matsui moved to recommit with instructions to the Committee on Financial Services. (consideration: CR H8378-8380; text: CR H8379)
- **Nov 19, 2015:** DEBATE - The House proceeded with 10 minutes of debate on the motion to recommit with instructions. The instructions contained in the motion seek to require the bill to be reported back to the House with an amendment adding new language outlining further considerations the Board shall take when determining which companies would be eligible to participate in the program.
- **Nov 19, 2015:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H8379)
- **Nov 19, 2015:** On motion to recommit with instructions Failed by recorded vote: 182 - 242 (Roll no. 640).
- **Nov 19, 2015:** Passed/agreed to in House: On passage Passed by recorded vote: 241 - 185 (Roll no. 641).
- **Nov 19, 2015:** On passage Passed by recorded vote: 241 - 185 (Roll no. 641).
- **Nov 19, 2015:** Motion to reconsider laid on the table Agreed to without objection.
- **Nov 18, 2015:** Rule H. Res. 529 passed House.
- **Nov 18, 2015:** ORDER OF PROCEDURE - Mr. Hensarling asked unanimous consent that the question of adopting a motion to recommit on H.R. 3189 may be subject to postponement as though under clause 8 of rule 20. Agreed to without objection.
- **Nov 18, 2015:** Considered under the provisions of rule H. Res. 529. (consideration: CR H8323-8342; text of measure as reported in House: CR H8331-8337)
- **Nov 18, 2015:** Rule provides for consideration of H.R. 1210 and H.R. 3189. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Rule provides that H.R. 1210 shall be amended by the text of Rules Committee Print 114-34 and that the amendment printed in part A of the report from the Committee on Rules shall be separately debatable for 10 minutes. H.R. 3189 shall be amended by the text of Rules Committee Print 114-35 and modified by the amendment printed in Part B of the report. No further amendments other than those printed in Part C of the report shall be in order for H.R. 3189.
- **Nov 18, 2015:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 529 and Rule XVIII.
- **Nov 18, 2015:** The Speaker designated the Honorable Kevin Yoder to act as Chairman of the Committee.
- **Nov 18, 2015:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 3189.
- **Nov 18, 2015:** DEBATE - Pursuant to the provisions of H.Res. 529, the Committee of the Whole proceeded with 10 minutes of debate on the Heck (WA) amendment No. 1.
- **Nov 18, 2015:** DEBATE - Pursuant to the provisions of H.Res. 529, the Committee of the Whole proceeded with 10 minutes of debate on the Heck (WA) amendment No. 2.
- **Nov 18, 2015:** DEBATE - Pursuant to the provisions of H.Res. 529, the Committee of the Whole proceeded with 10 minutes of debate on the Grayson amendment No. 3.
- **Nov 18, 2015:** DEBATE - Pursuant to the provisions of H.Res. 529, the Committee of the Whole proceeded with 10 minutes of debate on the Grayson amendment No. 5.
- **Nov 18, 2015:** DEBATE - Pursuant to the provisions of H.Res. 529, the Committee of the Whole proceeded with 10 minutes of debate on the King (IA) amendment No. 6.
- **Nov 18, 2015:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 3189.
- **Nov 18, 2015:** The previous question was ordered pursuant to the rule. (consideration: CR H8342)
- **Nov 18, 2015:** The House adopted the amendment as agreed to by the Committee of the Whole House on the state of the Union.
- **Nov 18, 2015:** POSTPONED PROCEEDINGS - Pursuant to clause 1(c) of Rule 19, the Speaker postponed further proceedings on H.R. 3189.
- **Nov 17, 2015:** Rules Committee Resolution H. Res. 529 Reported to House. Rule provides for consideration of H.R. 1210 and H.R. 3189. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. Rule provides that H.R. 1210 shall be amended

by the text of Rules Committee Print 114-34 and that the amendment printed in part A of the report from the Committee on Rules shall be separately debatable for 10 minutes. H.R. 3189 shall be amended by the text of Rules Committee Print 114-35 and modified by the amendment printed in Part B of the report. No further amendments other than those printed in Part C of the report shall be in order for H.R. 3189.

- **Nov 16, 2015:** Reported (Amended) by the Committee on Financial Services. H. Rept. 114-332, Part I.
- **Nov 16, 2015:** Committee on Oversight and Government discharged.
- **Nov 16, 2015:** Placed on the Union Calendar, Calendar No. 253.
- **Jul 29, 2015:** Committee Consideration and Mark-up Session Held.
- **Jul 29, 2015:** Ordered to be Reported (Amended) by the Yeas and Nays: 33 - 25.
- **Jul 23, 2015:** Introduced in House
- **Jul 23, 2015:** Referred to the Committee on Financial Services, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
- **Jul 22, 2015:** Hearings Held by the Subcommittee on Monetary Policy and Trade Prior to Referral.