# HR 4647

Traditional Banking Regulatory Relief Act of 2015

**Congress:** 114 (2015–2017, Ended)
**Chamber:** House
**Policy Area:** Finance and Financial Sector
**Introduced:** Feb 26, 2016
**Current Status:** Referred to the House Committee on Financial Services.
**Latest Action:** Referred to the House Committee on Financial Services. (Feb 26, 2016)
**Official Text:** https://www.congress.gov/bill/114th-congress/house-bill/4647

## Sponsor

**Name:** Rep. Perlmutter, Ed [D-CO-7]
**Party:** Democratic • **State:** CO • **Chamber:** House

## Cosponsors (5 total)

| Cosponsor | Party / State | Role | Date Joined |
|---|---|---|---|
| Rep. Heck, Denny [D-WA-10] | D · WA | | Feb 26, 2016 |
| Rep. Hinojosa, Ruben [D-TX-15] | D · TX | | Feb 26, 2016 |
| Rep. Lynch, Stephen F. [D-MA-8] | D · MA | | Feb 26, 2016 |
| Rep. Vargas, Juan [D-CA-51] | D · CA | | Feb 26, 2016 |
| Rep. Welch, Peter [D-VT-At Large] | D · VT | | Feb 26, 2016 |

## Committee Activity

| Committee | Chamber | Activity | Date |
|---|---|---|---|
| Financial Services Committee | House | Referred To | Feb 26, 2016 |

## Subjects & Policy Tags

**Policy Area:**

Finance and Financial Sector

## Related Bills

*No related bills are listed.*

## Summary (as of Feb 26, 2016)

**Traditional Banking Regulatory Relief Act of 2015**

This bill amends the Federal Deposit Insurance Act (FDIA) to prescribe capital requirements for traditional banking organizations (TBOs) at a minimum simple leverage ratio of no less than 10%.

A TBO is any bank holding company, savings and loan holding company, bank, or savings association that individually (and when including its parent, subsidiaries, and affiliates) meets the following criteria:

- has zero trading assets and zero trading liabilities,
- does not engage in swaps or security-based swaps other than those referencing interest rates or foreign exchange swaps, and
- has a total gross notional exposure of swaps and security-based swaps of not more than $3 billion.

"Simple leverage ratio" means:

- total equity less goodwill and deferred tax assets, divided by
- total assets less goodwill and deferred tax assets, as measured by generally accepted accounting principles.

A TBO meeting this minimum simple leverage ratio may notify the federal banking agencies to maintain it as the sole measure of its capital adequacy. The risk-based capital requirement shall not apply to it.

If the TBO fails to maintain the minimum simple leverage ratio, it shall remain exempt from the risk-based capital requirement for an 18-month grace period.

The bill grants a TBO with a simple leverage ratio of 8% or more a phase-in period of 18 months after enactment of this bill within which to elect to meet the minimum simple leverage ratio as its sole measure of capital adequacy.

The federal banking agencies, with respect to reports of condition, shall permit a reduced reporting requirement for a TBO electing to maintain a simple leverage ratio as its sole measure of capital adequacy.

The 18-month on-site examination cycle shall apply to TBOs (and, as under current law, to insured depository institutions whose assets total less than $1 billion) if the appropriate federal banking agency believes this is consistent with the TBO's safety and soundness.

The bill repeals the authority of federal banking agencies, at their discretion, to increase the maximum asset amount of insured depository institutions for certain purposes.

The Dodd-Frank Wall Street Reform and Consumer Protection Act is amended to exempt TBOs from mandatory annual stress tests.

## Actions Timeline

- **Feb 26, 2016:** Introduced in House
- **Feb 26, 2016:** Referred to the House Committee on Financial Services.