

HR 6392

Systemic Risk Designation Improvement Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Nov 22, 2016

Current Status: Received in the Senate.

Latest Action: Received in the Senate. (Dec 5, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/6392>

Sponsor

Name: Rep. Luetkemeyer, Blaine [R-MO-3]

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

Cosponsors (9 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Hill, J. French [R-AR-2]	R · AR		Nov 29, 2016
Rep. Love, Mia B. [R-UT-4]	R · UT		Nov 29, 2016
Rep. Murphy, Patrick [D-FL-18]	D · FL		Nov 29, 2016
Rep. Scott, David [D-GA-13]	D · GA		Nov 29, 2016
Rep. Sessions, Pete [R-TX-32]	R · TX		Nov 29, 2016
Rep. Sewell, Terri A. [D-AL-7]	D · AL		Nov 29, 2016
Rep. Sinema, Kyrsten [D-AZ-9]	D · AZ		Nov 29, 2016
Rep. Stivers, Steve [R-OH-15]	R · OH		Nov 29, 2016
Rep. Williams, Roger [R-TX-25]	R · TX		Nov 29, 2016

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	Nov 22, 2016

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
114 HRES 934	Procedurally related	Nov 30, 2016: Motion to reconsider laid on the table Agreed to without objection.
114 HR 6390	Related bill	Nov 18, 2016: Referred to the House Committee on Financial Services.
114 HR 6391	Related bill	Nov 18, 2016: Referred to the House Committee on Financial Services.
114 HR 1309	Related bill	Sep 19, 2016: Placed on the Union Calendar, Calendar No. 584.

Systemic Risk Designation Improvement Act of 2016

(Sec. 3) This bill amends the Dodd-Frank Wall Street Reform and Consumer Protection Act to authorize the Financial Stability Oversight Council (FSOC) to subject a bank holding company to enhanced supervision and prudential standards by the Board of Governors of the Federal Reserve System if FSOC makes a final determination that material financial distress at the bank holding company, or the nature, scope, size, scale, concentration, interconnectedness, or mix of its activities, could threaten the financial stability of the United States. This FSOC determination procedure replaces the current process under which bank holding companies with total consolidated assets of \$50 billion or more are automatically subject to such enhanced supervision and prudential standards.

FSOC must make these final determinations using an indicator-based measurement approach established by the Basel Committee on Banking Supervision to determine systemic importance, which considers each bank holding company's size, interconnectedness, available substitutes, global cross-jurisdictional activity, and complexity.

A bank holding company designated, as of this bill's enactment, as a Global Systemically Important Bank (GSIB) by the Financial Stability Board (FSB) shall be deemed to have been the subject of a final determination that it could pose a threat to U.S. financial stability, thereby making these GSIBs subject to enhanced supervision.

(Sec. 4) The bill revises the Federal Reserve Board's authority over bank holding company acquisition restrictions, prohibitions on interlocks between management of different financial companies, and enhanced supervision and prudential standards to make these requirements subject to FSOC's determination instead of operating automatically when a bank meets a \$50 billion threshold.

(Sec. 5) FSOC is prohibited from making a final determination concerning a bank holding company under this bill before one year after its enactment. A bank holding company shall be deemed to have been the subject of such a final determination during this one-year period, however, if its total consolidated assets are \$50 billion or more.

(Sec. 6) Bank holding companies with total consolidated assets of \$50 billion or more that have not been the subject of a final determination for enhanced supervision and prudential standards remain subject to assessments by the Department of the Treasury for a temporary period to the same extent as a bank holding company that has been subject to a final determination. But the aggregate amount collected from all bank holding companies so assessed is limited to a specified amount to be transferred to: (1) FSOC to distribute to the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), and the general fund of the Treasury for administrative costs resulting from this bill; and (2) the FDIC for resolution costs resulting from this bill. A bank holding company so assessed shall no longer be subject to such assessments in the event it is subject to a final determination.

Assessments collected shall be in addition to, and not as a replacement of, any other assessments required by law.

(Sec. 7) Nothing in this bill may be construed as broadly applying international standards except as specifically provided for FSOC's use of Basel Committee determination factors and the oversight of FSB-designated GSIBs.

Actions Timeline

- **Dec 5, 2016:** Received in the Senate.
- **Dec 1, 2016:** ORDER OF PROCEDURE - Mr. Hensarling asked unanimous consent that the question of adopting a motion to recommit on H.R. 6392 be subject to postponement as though under Clause 8 of Rule 20. Agreed to without objection.
- **Dec 1, 2016:** Considered under the provisions of rule H. Res. 934. (consideration: CR H7074-7086)
- **Dec 1, 2016:** Rule provides for consideration of H.R. 34 and H.R. 6392. Providing for consideration for the Senate amendment to H.R. 34 and for consideration of H.R. 6392.
- **Dec 1, 2016:** DEBATE - The House proceeded with one hour of debate on H.R. 6392.
- **Dec 1, 2016:** DEBATE - Pursuant to the provisions of H.Res. 934, the House proceeded with 10 minutes of debate on the Davidson amendment.
- **Dec 1, 2016:** Ms. Waters, Maxine moved to recommit with instructions to the Committee on Financial Services. (consideration: CR H7084; text: CR H7084)
- **Dec 1, 2016:** 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 to add an exemption to the underlying bill for any bank holding company over \$50 billion that has any pending litigation or enforcement matters with an agency of the U.S. government, pending the reservation of a point of order. Subsequently, the point of order was withdrawn.
- **Dec 1, 2016:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H7086)
- **Dec 1, 2016:** POSTPONED PROCEEDINGS - At the conclusion of debate on the motion to recommit with instructions, the Chair put the question on adopting the motion and by voice vote, announced that the ayes had prevailed. Ms. Waters (CA) demanded the yeas and nays, and pursuant to a previous order of the House, the Chair postponed further proceedings on the motion to recommit with instructions until a time to be announced.
- **Dec 1, 2016:** Considered as unfinished business. (consideration: CR H7098-7100)
- **Dec 1, 2016:** On motion to recommit with instructions Failed by the Yeas and Nays: 178 - 236 (Roll no. 598).
- **Dec 1, 2016:** Passed/agreed to in House: On passage Passed by the Yeas and Nays: 254 - 161 (Roll no. 599). (text: CR H7074-7075)
- **Dec 1, 2016:** On passage Passed by the Yeas and Nays: 254 - 161 (Roll no. 599). (text: CR H7074-7075)
- **Dec 1, 2016:** Motion to reconsider laid on the table Agreed to without objection.
- **Nov 30, 2016:** Rule H. Res. 934 passed House.
- **Nov 29, 2016:** Rules Committee Resolution H. Res. 934 Reported to House. Rule provides for consideration of H.R. 34 and H.R. 6392. Providing for consideration for the Senate amendment to H.R. 34 and for consideration of H.R. 6392.
- **Nov 22, 2016:** Introduced in House
- **Nov 22, 2016:** Referred to the House Committee on Financial Services.