

S 1045

Failed Bank Executives Clawback Act

Congress: 118 (2023–2025, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Mar 29, 2023

Current Status: Committee on Banking, Housing, and Urban Affairs. Hearings held.

Latest Action: Committee on Banking, Housing, and Urban Affairs. Hearings held. (May 17, 2023)

Official Text: <https://www.congress.gov/bill/118th-congress/senate-bill/1045>

Sponsor

Name: Sen. Warren, Elizabeth [D-MA]

Party: Democratic • State: MA • Chamber: Senate

Cosponsors (4 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Braun, Mike [R-IN]	R · IN		Mar 29, 2023
Sen. Cortez Masto, Catherine [D-NV]	D · NV		Mar 29, 2023
Sen. Hawley, Josh [R-MO]	R · MO		Mar 29, 2023
Sen. Warner, Mark R. [D-VA]	D · VA		May 1, 2023

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Hearings By (full committee)	May 17, 2023

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
118 S 1790	Related bill	Jun 1, 2023: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
118 HR 2972	Related bill	Apr 27, 2023: Referred to the House Committee on Financial Services.

Failed Bank Executives Clawback Act

This bill requires the Federal Deposit Insurance Corporation (FDIC) to claw back compensation paid to certain responsible parties when an insured depository institution is placed into FDIC receivership.

Specifically, all or part of the compensation paid the previous five years to an institution-affiliated party responsible for the condition of the institution must be paid to FDIC to prevent unjust enrichment and to assure that the party bears losses consistent with their responsibility. Compensation includes salary, bonuses, awards, and profits from buying or selling securities.

The bill also expands the authority of the FDIC to claw back compensation of parties responsible for financial losses incurred by a financial company regardless of the process by which FDIC is appointed receiver.

Finally, the bill establishes that the creditors and shareholders of an insured depository institution's holding company are responsible for the losses when the institution is resolved by the FDIC.

Actions Timeline

- **May 17, 2023:** Committee on Banking, Housing, and Urban Affairs. Hearings held.
- **May 16, 2023:** Committee on Banking, Housing, and Urban Affairs. Hearings held.
- **May 4, 2023:** Committee on Banking, Housing, and Urban Affairs. Hearings held.
- **Mar 29, 2023:** Introduced in Senate
- **Mar 29, 2023:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.