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S 1181

Bank Management Accountability Act

Congress: 118 (2023–2025, Ended)
Chamber: Senate
Policy Area: Finance and Financial Sector
Introduced: Apr 18, 2023
Current Status: Committee on Banking, Housing, and Urban Affairs. Hearings held.
Latest Action: Committee on Banking, Housing, and Urban Affairs. Hearings held. (May 4, 2023)
Official Text: https://www.congress.gov/bill/118th-congress/senate-bill/1181

Sponsor

Name: Sen. Reed, Jack [D-RI]
Party: Democratic • **State:** RI • **Chamber:** Senate

Cosponsors (5 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Grassley, Chuck [R-IA]	R · IA		Apr 18, 2023
Sen. Warner, Mark R. [D-VA]	D · VA		Apr 25, 2023
Sen. Menendez, Robert [D-NJ]	D · NJ		May 10, 2023
Sen. Smith, Tina [D-MN]	D · MN		Jun 1, 2023
Sen. Tester, Jon [D-MT]	D · MT		Jun 1, 2023

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Hearings By (full committee)	May 4, 2023

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Summary (as of Apr 18, 2023)

Bank Management Accountability Act

This bill expands the ability of financial regulators to recover compensation from senior executives or directors at failed banks and financial institutions and to impose bans on their future participation at any financial company.

The bill authorizes the Federal Deposit Insurance Corporation (FDIC) to recover compensation paid to certain current or former senior executives or directors of an insured depository institution for which FDIC is a receiver or conservator.

If a current or former senior executive or director is substantially responsible for the failed condition of the insured depository institution, FDIC may recover any compensation received during the 2-year period prior to FDIC appointment as receiver or conservator of the insured depository institution, except for cases of fraud, where no time limit shall apply.

The bill also (1) prohibits liability insurance policies from covering such compensation, and (2) authorizes FDIC to prohibit any further participation by those individuals in the affairs of any financial company for not less than 2 years.

Finally, the bill expands the authority of the Board of Governors of the Federal Reserve System and the FDIC to ban senior executives at systemically important financial institutions in receivership from participating for 2 years in the affairs of any financial company. Specifically, the bill removes the requirement that, to be subject to such a ban, the violation must involve personal dishonesty or demonstrate willful or continuing disregard for the company's safety and soundness.

Actions Timeline

- **May 4, 2023:** Committee on Banking, Housing, and Urban Affairs. Hearings held.
- **Apr 18, 2023:** Introduced in Senate
- **Apr 18, 2023:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Sponsor introductory remarks on measure: CR S1212-1213)