

104TH CONGRESS
1ST SESSION

H. R. 17

To establish the Federal Bank Agency, to abolish the positions of the Comptroller of the Currency and Director of the Office of Thrift Supervision, to consolidate and reform the regulation of insured depository institutions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 1995

Mr. LEACH introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To establish the Federal Bank Agency, to abolish the positions of the Comptroller of the Currency and Director of the Office of Thrift Supervision, to consolidate and reform the regulation of insured depository institutions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Bank Regulatory Consolidation and Reform Act of
6 1995”.

7 (b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—FEDERAL BANK AGENCY

- Sec. 101. Establishment of the Agency.
- Sec. 102. Definitions.
- Sec. 103. Administrator of the Federal Bank Agency.
- Sec. 104. Authority of the Administrator.
- Sec. 105. Personnel.
- Sec. 106. Regulations and orders.
- Sec. 107. Funding.

TITLE II—INTERIM PROVISIONS; TRANSFER OF FUNCTIONS,
PERSONNEL, AND PROPERTY

- Sec. 201. Interim provisions for the Federal Bank Agency.
- Sec. 202. Office of Thrift Supervision abolished.
- Sec. 203. Office of the Comptroller of the Currency abolished.
- Sec. 204. References in Federal law to Federal banking agencies.

TITLE III—REGULATORY AND SUPERVISORY RESPONSIBILITY

- Sec. 301. Transfer of powers and duties.
- Sec. 302. Appropriate Federal banking agency.

TITLE IV—FEDERAL DEPOSIT INSURANCE CORPORATION
AMENDMENTS

- Sec. 401. Amendments to the Federal Deposit Insurance Act.

TITLE V—REORGANIZATION OF BOARDS OF DIRECTORS

- Sec. 501. Federal Deposit Insurance Corporation Board of Directors.
- Sec. 502. Amendments to the Federal Reserve Act.
- Sec. 503. Amendment to the Bank Holding Company Act of 1956.
- Sec. 504. Amendment to the Bank Holding Company Amendments Act of 1970.

TITLE VI—REGULATORY UNIFORMITY

- Sec. 601. Amendments relating to the Financial Institutions Examination Council.

TITLE VII—CREDIT UNIONS

- Sec. 701. Comparable supervisory standards for credit unions.

1 **TITLE I—FEDERAL BANK**
2 **AGENCY**

3 **SEC. 101. ESTABLISHMENT OF THE AGENCY.**

4 Effective January 1, 1996, there shall be established
5 the Federal Bank Agency which shall be an independent
6 establishment.

7 **SEC. 102. DEFINITIONS.**

8 The following definitions shall apply for purposes of
9 this title:

10 (1) The term “Administrator” means the Ad-
11 ministrator of the Federal Bank Agency.

12 (2) The term “Agency” means the Federal
13 Bank Agency.

14 (3) The term “Secretary” means the Secretary
15 of the Treasury.

16 **SEC. 103. ADMINISTRATOR OF THE FEDERAL BANK**
17 **AGENCY.**

18 (a) IN GENERAL.—The Agency shall have an Admin-
19 istrator who shall be the head of the Agency.

20 (b) APPOINTMENT.—The Administrator shall be ap-
21 pointed by the President, by and with the advice and con-
22 sent of the Senate, from among individuals who are
23 citizens of the United States.

24 (c) TERM.—The Administrator shall be appointed for
25 a term of 5 years.

1 (d) VACANCY.—A vacancy in the position of Adminis-
2 trator which occurs before expiration of the term for which
3 an Administrator was appointed shall be filled in the man-
4 ner established in subsection (b), and the Administrator
5 appointed to fill such vacancy shall be appointed only for
6 the remainder of said term.

7 (e) SERVICE AFTER END OF TERM.—An individual
8 may serve as Administrator after the expiration of the
9 term for which appointed until a successor Administrator
10 has been appointed.

11 (f) DEPUTY ADMINISTRATORS.—

12 (1) DEPUTY ADMINISTRATOR OF THE AGEN-
13 CY.—

14 (A) IN GENERAL.—The Agency shall have
15 a Deputy Administrator who shall be appointed
16 by the President, by and with the advice and
17 consent of the Senate.

18 (B) DUTIES AND POWERS.—The Deputy
19 Administrator shall—

20 (i) perform such duties and exercise
21 such powers as the Administrator may pre-
22 scribe; and

23 (ii) exercise the duties and powers of
24 the Administrator when the Administrator

1 is absent or unable to serve or when the
2 position of the Administrator is vacant.

3 (2) DEPUTY ADMINISTRATOR FOR SAVINGS AS-
4 SOCIATIONS.—

5 (A) IN GENERAL.—The Agency shall have
6 a Deputy Administrator for Savings Associa-
7 tions who shall be appointed by the President,
8 by and with the advice and consent of the Sen-
9 ate.

10 (B) DUTIES AND POWERS.—The Deputy
11 Administrator for Savings Associations shall—

12 (i) perform such duties and exercise
13 such powers as the Administrator may pre-
14 scribe; and

15 (ii) perform the functions which are
16 transferred to the agency from the Direc-
17 tor of the Office of Thrift Supervision until
18 the Administrator provides otherwise.

19 (g) EFFECTIVE DATE.—This section shall take effect
20 on January 1, 1996.

21 **SEC. 104. AUTHORITY OF THE ADMINISTRATOR.**

22 (a) DELEGATION OF AUTHORITY.—The Adminis-
23 trator may delegate to any employee, representative, or
24 agent of the Agency any authority of the Administrator.

1 (b) EFFECTIVE DATE.—This section shall take effect
2 on January 1, 1996.

3 **SEC. 105. PERSONNEL.**

4 (a) IN GENERAL.—The Administrator shall fix the
5 number and compensation of, and appoint and direct, all
6 employees of the Agency.

7 (b) EFFECTIVE DATE.—This section shall take effect
8 on January 1, 1997.

9 **SEC. 106. REGULATIONS AND ORDERS.**

10 The Administrator may prescribe such regulations
11 and issue such orders as the Administrator may determine
12 to be necessary or appropriate for carrying out any law
13 within the Administrator's jurisdiction.

14 **SEC. 107. FUNDING.**

15 (a) AUTHORITY TO IMPOSE AND COLLECT ASSESS-
16 MENTS, FEES, AND OTHER CHARGES.—

17 (1) IN GENERAL.—The Administrator may im-
18 pose and collect such assessments, fees, and other
19 charges on any institution or entity (including any
20 affiliates of any such institution or entity) for which
21 the Administrator is the appropriate Federal bank-
22 ing agency, as defined in section 3(q)(1) of the Fed-
23 eral Deposit Insurance Act, as the Administrator de-
24 termines to be necessary or appropriate to carry out
25 the responsibilities of the Agency.

1 (2) NO NET COST TO GOVERNMENT.—The
2 amount of any assessment, fee, or other charge shall
3 be not less than the amount necessary to meet the
4 full cost to the Federal Government of the service
5 provided by the Agency.

6 (b) USE OF FUNDS.—The Administrator may use the
7 funds obtained through assessments, fees, and other
8 charges imposed pursuant to this title to pay the full cost
9 to the Federal Government of the services provided by the
10 Agency.

11 (c) AGENCY NOT SUBJECT TO APPORTIONMENT OF
12 FUNDS.—Notwithstanding any other provision of law,
13 amounts received by the Agency pursuant to any assess-
14 ment, fee, or other charge imposed under this Act or any
15 other provision of law and any other money received by
16 the Agency shall not be subject to apportionment for the
17 purpose of chapter 15 of title 31, United States Code, or
18 under any other authority.

19 (d) TECHNICAL AND CONFORMING AMENDMENT RE-
20 LATING TO SEQUESTRATION.—Paragraph (1) of section
21 255(g) of the Balanced Budget and Emergency Deficit
22 Control Act of 1985 is amended—

23 (1) by striking the items relating to the Comp-
24 troller of the Currency and the Director of the Of-
25 fice of Thrift Supervision; and

1 (2) by inserting after the item relating to
2 the Farm Credit System Financial Assistance Cor-
3 poration, interest payment (20-1850-0-1-351) the
4 following new item:

5 “Federal Bank Agency;”.

6 (e) EFFECTIVE DATE.—This section and the amend-
7 ments made by this section shall take effect on Jan-
8 uary 1, 1997.

9 **TITLE II—INTERIM PROVISIONS;**
10 **TRANSFER OF FUNCTIONS,**
11 **PERSONNEL, AND PROPERTY**

12 **SEC. 201. INTERIM PROVISIONS FOR THE FEDERAL BANK**
13 **AGENCY.**

14 (a) INTERIM AUTHORITY OF THE ADMINISTRATOR.—
15 Prior to the date upon which the functions of the Office
16 of the Comptroller of the Currency and the Office of
17 Thrift Supervision are transferred to the Administrator
18 pursuant to this Act, the Administrator shall—

19 (1) consult and cooperate with the Director of
20 the Office of Thrift Supervision and the Comptroller
21 of the Currency to facilitate the orderly transfer of
22 functions to the Office; and

23 (2) take such actions as may be necessary to
24 provide for the establishment of the Agency and for
25 the orderly implementation of this title.

1 (b) INTERIM STAFF.—Prior to the date upon which
2 the Office of the Comptroller of the Currency and the Of-
3 fice of Thrift Supervision are abolished, each such Office
4 shall detail to the Agency such personnel as the Adminis-
5 trator deems appropriate to assist the Administrator in
6 carrying out the duties of title I.

7 (c) INTERIM ADMINISTRATIVE SERVICES.—The Sec-
8 retary may provide all administrative services necessary
9 to support the Agency prior to the date upon which the
10 Office of the Comptroller of the Currency and the Office
11 of Thrift Supervision are abolished, and obtain reimburse-
12 ment for the cost of such services pursuant to subsection
13 (d).

14 (d) INTERIM FUNDING.—Prior to the date upon
15 which the Office of the Comptroller of the Currency and
16 the Office of Thrift Supervision are abolished, each such
17 Office shall pay to the Secretary one-half of the total
18 amount determined by the Secretary to be necessary to
19 fund all direct and indirect salary and administrative ex-
20 penses of the Agency, including the salary of the Adminis-
21 trator, through January 1, 1997, from the funds obtained
22 by such Offices through assessments, fees, and other
23 charges which they are authorized to impose by law. The
24 Secretary may credit to an appropriation and spend
25 amounts received pursuant to this subsection. Upon the

1 appointment of the Administrator, the amounts paid to
2 the Secretary under this subsection shall be paid by the
3 Secretary to the Administrator.

4 (e) INTERIM AUTHORITY OF THE SECRETARY.—The
5 Secretary is authorized to perform the functions of the
6 Administrator under this section until the Administrator
7 is appointed.

8 (f) MERGER OF TRANSFERRED EMPLOYEES.—The
9 Administrator shall, to the maximum extent practicable,
10 merge and consolidate the work force structures of the Of-
11 fice of the Comptroller of the Currency and the Office of
12 Thrift Supervision. In merging the work forces, the Ad-
13 ministrator shall establish procedures which take into ac-
14 count the job experience of, and the compensation and
15 benefits provided to, the transferred employees at the
16 prior agency.

17 (g) EFFECTIVE DATE.—This section shall take effect
18 on January 1, 1996.

19 **SEC. 202. OFFICE OF THRIFT SUPERVISION ABOLISHED.**

20 (a) OFFICE OF THRIFT SUPERVISION ABOLISHED.—
21 Effective January 1, 1997, the Office of Thrift Super-
22 vision and the position of Director of the Office of Thrift
23 Supervision are hereby abolished.

24 (b) DISPOSITION OF AFFAIRS.—

1 (1) IN GENERAL.—In winding up the affairs of
2 the Office of Thrift Supervision, the Director of the
3 Office of Thrift Supervision shall consult and co-
4 operate with the Administrator of the Agency and
5 the Comptroller of the Currency to facilitate the or-
6 derly transfer of the functions to the Agency. Any
7 matter not resolved pursuant to such consultation
8 and cooperation shall be resolved by the Secretary.

9 (2) CONTINUING AUTHORITY OF DIRECTOR OF
10 THE OFFICE OF THRIFT SUPERVISION.—Except as
11 provided in paragraph (1) and section 201, nothing
12 in this title shall affect the authority vested in the
13 Director of the Office of Thrift Supervision before
14 the date of enactment of this Act which is necessary
15 to carry out the duties of the position until the date
16 upon which the position of Director of the Office of
17 Thrift Supervision is abolished.

18 (3) CONTINUATION OF AGENCY SERVICES.—
19 Any agency, department, or other instrumentality of
20 the United States, or any successor to any such
21 agency, department, or instrumentality, which was
22 providing support services to the Office of Thrift Su-
23 pervision on the day before the date the Office of
24 Thrift Supervision is abolished shall—

1 (A) continue to provide such services on a
2 reimbursable basis, in accordance with the
3 terms of the arrangement pursuant to which
4 such services were provided until the arrange-
5 ment is modified or terminated in accordance
6 with such terms, except that effective Jan-
7 uary 1, 1997, the Agency shall be substituted
8 for the Office of Thrift Supervision as a party
9 to the arrangement; and

10 (B) consult with the Administrator to co-
11 ordinate and facilitate a prompt and reasonable
12 transition.

13 (c) SAVINGS PROVISIONS.—

14 (1) EXISTING RIGHTS, DUTIES, AND OBLIGA-
15 TIONS NOT AFFECTED.—No provision of this title
16 shall affect the validity of any right, duty, or obliga-
17 tion of the United States, the Office of Thrift Super-
18 vision, or any person, which existed on the day
19 before the date upon which the Office of Thrift
20 Supervision is abolished.

21 (2) CONTINUATION OF SUITS.—No action or
22 other proceeding commenced by or against the Office
23 of Thrift Supervision shall abate by reason of enact-
24 ment of this Act, except that, effective January 1,

1 1997, the Administrator shall be substituted as a
2 party to any such action or proceeding.

3 (3) CONTINUATION OF ADMINISTRATIVE
4 RULES.—All orders, resolutions, determinations, reg-
5 ulations, interpretative rules, other interpretations,
6 guidelines, procedures, and other advisory material
7 which—

8 (A) have been issued, made, prescribed, or
9 permitted to become effective by the Office of
10 Thrift Supervision, and

11 (B) are in effect on December 31, 1996,
12 (or become effective after such date pursuant to
13 the terms of the order, resolution, determina-
14 tion, rule, other interpretation, guideline, proce-
15 dure, and other advisory material, as in effect
16 on such date), shall—

17 (i) continue in effect according to the
18 terms of such orders, resolutions, deter-
19 minations, regulations, interpretative rules,
20 other interpretations, guidelines, proce-
21 dures, or other advisory material;

22 (ii) be administered by the Adminis-
23 trator; and

24 (iii) be enforceable by or against the
25 Administrator until modified, terminated,

1 set aside, or superseded in accordance with
2 applicable law by the Administrator, by
3 any court of competent jurisdiction, or by
4 operation of law.

5 (d) TRANSFER OF PROPERTY.—Effective January 1,
6 1997, all property of the Office of Thrift Supervision shall
7 be transferred to the Agency.

8 **SEC. 203. OFFICE OF THE COMPTROLLER OF THE CUR-**
9 **RENCY ABOLISHED.**

10 (a) OFFICE OF THE COMPTROLLER OF THE CUR-
11 RENCY ABOLISHED.—Effective January 1, 1997, the Of-
12 fice of the Comptroller of the Currency and the position
13 of the Comptroller of the Currency are abolished.

14 (b) DISPOSITION OF AFFAIRS.—

15 (1) IN GENERAL.—In winding up the affairs of
16 the Office of the Comptroller of the Currency, the
17 Comptroller of the Currency shall consult and co-
18 operate with the Administrator of the Federal Bank
19 Agency and the Director of the Office of Thrift Su-
20 pervision to facilitate the orderly transfer of func-
21 tions to the Agency. Any matter not resolved pursu-
22 ant to such consultation and cooperation shall be
23 resolved by the Secretary.

24 (2) CONTINUING AUTHORITY OF THE COMP-
25 TROLLER OF THE CURRENCY.—Except as provided

1 in paragraph (1) and section 201, nothing in this
2 Act shall affect the authority vested in the Comp-
3 troller of the Currency before the date of enactment
4 of this Act which is necessary to carry out the duties
5 of the position until the date upon which the
6 position of Comptroller is abolished.

7 (3) CONTINUATION OF AGENCY SERVICES.—
8 Any agency, department, or other instrumentality of
9 the United States, or any successor to any such
10 agency, department, or instrumentality, which was
11 providing support services to the Office of the Comp-
12 troller of the Currency on the day before the date
13 the Office of the Comptroller of the Currency is
14 abolished shall—

15 (A) continue to provide such services, on a
16 reimbursable basis, in accordance with the
17 terms of the arrangement pursuant to which
18 such services were provided until the arrange-
19 ment is modified or terminated in accordance
20 with such terms, except that effective Jan-
21 uary 1, 1997, the Agency shall be substituted
22 for the Office of the Comptroller of the Cur-
23 rency as a party to the arrangement; and

1 (B) consult with the Administrator to co-
2 ordinate and facilitate a prompt and reasonable
3 transition.

4 (c) SAVINGS PROVISIONS.—

5 (1) EXISTING RIGHTS, DUTIES, AND OBLIGA-
6 TIONS NOT AFFECTED.—No provision of this title
7 shall affect the validity of any right, duty, or obliga-
8 tion of the United States, the Office of the Comp-
9 troller of the Currency, or any person, which existed
10 on the day before the date upon which the Office of
11 the Comptroller of the Currency is abolished by this
12 title.

13 (2) CONTINUATION OF SUITS.—No action or
14 other proceeding commenced by or against the
15 Comptroller of the Currency or the Office of the
16 Comptroller of the Currency shall abate by reason of
17 enactment of this Act, except that effective Jan-
18 uary 1, 1997, the Administrator shall be substituted
19 as a party to any such action or proceeding.

20 (3) CONTINUATION OF ADMINISTRATIVE
21 RULES.—All orders, resolutions, determinations, reg-
22 ulations, interpretative rules, other interpretations,
23 guidelines, procedures, and other advisory material
24 which—

1 (A) have been issued, made, prescribed, or
2 permitted to become effective by the Comptrol-
3 ler of the Currency; and

4 (B) are in effect on December 31, 1996,
5 (or become effective after such date pursuant to
6 the terms of the order, resolution, determina-
7 tion, rule, other interpretation, guideline, proce-
8 dure, and other advisory material, as in effect
9 on such date) shall—

10 (i) continue in effect according to the
11 terms of such orders, resolutions, deter-
12 minations, regulations, interpretative rules,
13 guidelines, procedures or other advisory
14 material;

15 (ii) be administered by the Adminis-
16 trator; and

17 (iii) be enforceable by or against the
18 Administrator until modified, terminated,
19 set aside, or superseded in accordance with
20 applicable law by the Administrator, by
21 any court of competent jurisdiction, or by
22 operation of law.

23 (d) TRANSFER OF PROPERTY.—Effective January 1,
24 1997, all property of the Office of the Comptroller of the
25 Currency shall be transferred to the Agency.

1 **SEC. 204. REFERENCES IN FEDERAL LAW TO FEDERAL**
2 **BANKING AGENCIES.**

3 Any reference in any Federal law to the Comptroller
4 of the Currency, the Office of the Comptroller of the Cur-
5 rency, the Director of the Office of Thrift Supervision, or
6 the Office of Thrift Supervision shall be deemed to be a
7 reference to the appropriate Federal banking agency (as
8 defined in section 3(q) of the Federal Deposit Insurance
9 Act).

10 **TITLE III—REGULATORY AND**
11 **SUPERVISORY RESPONSIBILITY**

12 **SEC. 301. TRANSFER OF POWERS AND DUTIES.**

13 (a) DIRECTOR OF THE OFFICE OF THRIFT SUPER-
14 VISION.—Effective January 1, 1997, all powers and duties
15 which were vested in the Director of the Office of Thrift
16 Supervision on December 31, 1996, are transferred to the
17 Administrator, except as otherwise provided in this Act.

18 (b) COMPTROLLER OF THE CURRENCY.—Effective
19 January 1, 1997, all powers and duties which were vested
20 in the Comptroller of the Currency on December 31, 1996,
21 are transferred to the Administrator, except as otherwise
22 provided in this Act.

23 **SEC. 302. APPROPRIATE FEDERAL BANKING AGENCY.**

24 (a) Section 3(q) of the Federal Deposit Insurance Act
25 (12 U.S.C. 1813(q)) is amended to read as follows:

26 “(q) APPROPRIATE FEDERAL BANKING AGENCY.—

1 “(1) IN GENERAL.—The term ‘appropriate Fed-
2 eral banking agency’ means—

3 “(A) the Administrator of the Federal
4 Bank Agency in the case of—

5 “(i) a Federal depository institution
6 and any subsidiary of any Federal depository
7 institution, other than—

8 “(I) a subsidiary chartered or
9 regulated by the Board of Governors
10 of the Federal Reserve System under
11 section 25 or 25A of the Federal
12 Reserve Act; or

13 “(II) a depository institution sub-
14 sidiary of a depository institution
15 holding company for which the Fed-
16 eral Deposit Insurance Corporation or
17 the Board of Governors of the Federal
18 Reserve System is the appropriate
19 Federal banking agency;

20 “(ii) a District bank chartered by the
21 Administrator, other than a depository in-
22 stitution subsidiary described in clause (i);

23 “(iii) a Federal agency of a foreign
24 bank other than an agency regulated by

1 the Board of Governors of the Federal Re-
2 serve System;

3 “(iv) a savings and loan holding com-
4 pany the principal depository institution
5 subsidiary of which is a Federal savings
6 association and each affiliate of such com-
7 pany, including each depository institution
8 subsidiary of such company; and

9 “(v) a bank holding company—

10 “(I) which has total consolidated
11 depository institution assets of less
12 than \$25,000,000,000; and

13 “(II) the principal depository in-
14 stitution subsidiary of which is a
15 Federal depository institution or a
16 District bank,

17 and each affiliate of such company, includ-
18 ing each depository institution subsidiary
19 of such company;

20 “(B) the Federal Deposit Insurance Cor-
21 poration in the case of—

22 “(i) a State depository institution (ex-
23 cept a District bank), other than a State
24 member bank or a depository institution
25 subsidiary of a depository institution hold-

1 ing company for which the Federal Bank
2 Agency or the Board of Governors of the
3 Federal Reserve System is the appropriate
4 Federal banking agency;

5 “(ii) a foreign bank which—

6 “(I) operates an insured branch;

7 and

8 “(II) has total worldwide assets
9 of less than \$25,000,000,000;

10 “(iii) a bank holding company—

11 “(I) which has total consolidated
12 depository institution assets of less
13 than \$25,000,000,000; and

14 “(II) the principal depository in-
15 stitution subsidiary of which is a
16 State depository institution (except a
17 District bank) which is not a State
18 member bank,

19 and each affiliate of such company, includ-
20 ing each depository institution subsidiary
21 of such company; and

22 “(iv) a savings and loan holding com-
23 pany the principal depository institution
24 subsidiary of which is a State savings asso-
25 ciation and each affiliate of such company,

1 including each depository institution sub-
2 subsidiary of such company; and

3 “(C) the Board of Governors of the
4 Federal Reserve System in the case of—

5 “(i) a State member bank, other than
6 a depository institution subsidiary of a de-
7 pository institution holding company for
8 which the Federal Bank Agency or the
9 Federal Deposit Insurance Corporation is
10 the appropriate Federal banking agency;

11 “(ii) any branch or agency of a for-
12 eign bank with respect to any provision of
13 the Federal Reserve Act which is made ap-
14 plicable under the International Banking
15 Act of 1978,

16 “(iii) any foreign bank which does not
17 operate an insured branch,

18 “(iv) any agency or commercial lend-
19 ing company other than a Federal agency,

20 “(v) supervisory or regulatory pro-
21 ceedings arising from the authority given
22 to the Board of Governors under section
23 7(c)(1) of the International Banking Act of
24 1978, including such proceedings under

1 the Depository Institutions Supervisory
2 Act;

3 “(vi) any bank holding company which
4 has total consolidated depository institu-
5 tion assets equal to or greater than
6 \$25,000,000,000 or foreign bank with
7 worldwide assets equal to or greater than
8 \$25,000,000,000, and each affiliate of
9 such company, including each depository
10 institution subsidiary of such company;
11 and

12 “(vii) any bank holding company—
13 “(I) which has total consolidated
14 depository institution assets of less
15 than \$25,000,000,000; and

16 “(II) the principal depository in-
17 stitution subsidiary of which is a
18 State member bank,
19 and each affiliate of such company, includ-
20 ing each depository institution subsidiary
21 of such company.

22 “(2) CONSOLIDATED ASSETS DEFINED.—For
23 purposes of this subsection, the term ‘consolidated
24 depository institution assets’ means, with respect to
25 any calendar year, the total assets of all insured de-

1 pository institutions controlled by a depository insti-
2 tution holding company on average for the last day
3 of each quarter of the preceding calendar year;

4 “(3) DETERMINATION OF PRINCIPAL DEPOSI-
5 TORY INSTITUTION SUBSIDIARY.—

6 “(A) PRINCIPAL DEPOSITORY INSTITUTION
7 SUBSIDIARY DEFINED.—The term ‘principal de-
8 pository institution subsidiary’ means, with re-
9 spect to any year—

10 “(i) the depository institution subsidi-
11 ary of a bank holding company that has
12 the greatest dollar amount of assets, on av-
13 erage, as of the last day of each quarter of
14 the preceding calendar year; and

15 “(ii) in the case of a foreign bank that
16 is a bank holding company, the depository
17 institution, branch, agency, or commercial
18 lending company controlled or operated by
19 a foreign bank in the United States that
20 has the greatest dollar amount of assets,
21 on average, as of the last day of each
22 quarter of the preceding calendar year.

23 “(B) RULE IN CASE OF MULTIPLE DEPOSI-
24 TORY INSTITUTION SUBSIDIARIES OF SIMILAR
25 SIZE.—If a depository institution holding com-

1 pany controls 2 or more depository institutions
2 which have substantially equal dollar amounts
3 of assets and such depository institutions are
4 not regulated by the same Federal banking
5 agency, the principal depository institution sub-
6 sidiary, for purposes of this subsection, shall be
7 the depository institution which has the great-
8 est dollar amount of deposits, on average, for
9 the last day of each quarter of the preceding
10 calendar year.

11 “(4) CALCULATIONS.—All determinations re-
12 garding equity capital or assets, as appropriate, shall
13 be made based upon those amounts on the last day
14 of each of the four quarters over the preceding
15 calendar year.

16 “(5) EVALUATION.—The appropriate Federal
17 banking agency shall evaluate the principal bank
18 subsidiary and the consolidated assets of the deposi-
19 tory institution holding company, as the cases may
20 be, as defined in paragraphs (1), (2), and (3) by
21 January 1, 1997, and every 5 years thereafter for
22 the purpose of determining whether a transfer to the
23 other appropriate Federal banking agency is
24 necessary.

25 “(6) TRANSFER.—

1 “(A) IN GENERAL.—In any case in which
2 the appropriate Federal banking agency has
3 changed after evaluation, notice shall be given
4 to the new appropriate Federal banking agency
5 within 30 days after evaluation.

6 “(B) EXAMINATION AND OTHER RE-
7 PORTS.—A copy of the examination reports and
8 any other reports required to be filed by the
9 depository institution holding company pursu-
10 ant to the Bank Holding Company Act of 1956
11 or section 10 of the Home Owners’ Loan Act
12 for the prior 2 years shall be provided to the
13 new appropriate Federal banking agency when
14 notice is provided to such agency.

15 “(C) REGULATION AND SUPERVISION.—
16 Regulation and supervision of the depository in-
17 stitution holding company shall be transferred
18 to the new appropriate Federal banking agency
19 no later than 90 days after notice has been
20 provided.

21 “(7) COST-OF-LIVING ADJUSTMENT.—

22 “(A) IN GENERAL.—Paragraph (1) shall
23 be applied in any year beginning after Decem-
24 ber 31, 1996, by increasing the
25 \$25,000,000,000 amount in any subparagraph

1 of such paragraph by the cost-of-living adjust-
2 ment for the year.

3 “(B) COST-OF-LIVING ADJUSTMENT.—For
4 purposes of subparagraph (A), the cost-of-living
5 adjustment for any year is the percentage, if
6 any, by which—

7 “(i) the CPI for the preceding year,
8 exceeds the CPI for 1995.

9 “(C) CPI FOR ANY YEAR.—For purposes
10 of subparagraph (B), the CPI for any year is
11 the average of the last Consumer Price Index
12 for all-urban consumers published by the De-
13 partment of Labor during the 12-month period
14 ending on August 31 of such year.”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 subsection (a) shall take effect on January 1, 1997.

17 **TITLE IV—FEDERAL DEPOSIT**
18 **INSURANCE CORPORATION**
19 **AMENDMENTS**

20 **SEC. 401. AMENDMENTS TO THE FEDERAL DEPOSIT INSUR-**
21 **ANCE ACT.**

22 (a) AMENDMENTS TO SECTION 18 OF THE FEDERAL
23 DEPOSIT INSURANCE ACT.—Section 18 of the Federal
24 Deposit Insurance Act (12 U.S.C. 1828) is amended—

25 (1) in subsection (c)—

1 (A) by striking “responsible agency” each
2 place such term appears and inserting “appro-
3 priate Federal banking agency”;

4 (B) by striking “responsible agencies” each
5 place such term appears and inserting “appro-
6 priate Federal banking agencies”;

7 (C) by striking “the other two banking
8 agencies referred to in this subsection” each
9 place such term appears and inserting “the
10 other appropriate Federal banking agency”;

11 (D) by striking “the other two banking
12 agencies” each place such term appears and in-
13 serting “the other appropriate Federal banking
14 agency”;

15 (E) in paragraph (2), by striking “written
16 approval” and all that appears after such term
17 in such paragraph and inserting “written ap-
18 proval of the appropriate Federal banking
19 agency for the acquiring, assuming, or resulting
20 institution.”; and

21 (F) by striking subparagraph (B) of para-
22 graph (2) and redesignating subsequent sub-
23 paragraphs accordingly;

24 (2) in subsection (g), by striking “Adminis-
25 trator of the Office of Thrift Supervision” each place

1 such term appears and inserting “Administrator of
2 the Federal Bank Agency”; and

3 (3) in subsection (i)(2), by striking “written
4 consent” and all that appears after such term in
5 such paragraph and inserting “written consent of
6 the appropriate Federal banking agency for the
7 acquiring, assuming or resulting institution.”.

8 (b) AMENDMENTS TO SECTION 44.—Section 44 of the
9 Federal Deposit Insurance Act (12 U.S.C. 1831u) is
10 amended—

11 (1) by striking “responsible agency” each place
12 such term appears and inserting “appropriate Fed-
13 eral banking agency”;

14 (2) in subsection (f), by striking paragraph (10)
15 and redesignating paragraph (11) as paragraph
16 (10).

17 **TITLE V—REORGANIZATION OF** 18 **BOARDS OF DIRECTORS**

19 **SEC. 501. FEDERAL DEPOSIT INSURANCE CORPORATION** 20 **BOARD OF DIRECTORS.**

21 (a) REORGANIZATION.—Section 2 of the Federal
22 Deposit Insurance Act (12 U.S.C. 1812) is amended—

23 (1) by striking “Comptroller of the Currency”
24 each place such term appears and inserting “Admin-
25 istrator of the Federal Bank Agency”;

1 (2) by striking “Director of the Office of Thrift
2 Supervision” each place such term appears and in-
3 serting “Chairman of the Board of Governors of the
4 Federal Reserve System or a Governor of the Board
5 of Governors of the Federal Reserve System dele-
6 gated by the Chairman of the Board of Governors”;
7 and

8 (3) in subsection (a), by striking paragraph (2).

9 (b) CONFORMING AMENDMENT TO THE FEDERAL
10 RESERVE ACT.—Section 11(k) of the Federal Reserve Act
11 (12 U.S.C. 248(k)) is amended by adding at the end there-
12 of the following: “The Chairman may delegate the author-
13 ity of the Chairman to serve as a member of the Board
14 of Directors of the Federal Deposit Insurance Corporation
15 to any other member of the Board.”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this subsection shall take effect on January 1, 1997.

18 **SEC. 502. AMENDMENTS TO THE FEDERAL RESERVE ACT.**

19 (a) The 7th undesignated paragraph of section 9 of
20 the Federal Reserve Act (12 U.S.C. 325) is amended to
21 read as follows:

22 “(7) As a condition of membership, such banks
23 shall be subject to examinations made by the appro-
24 priate Federal banking agency (as defined in section
25 3(q) of the Federal Deposit Insurance Act).”.

1 (b) The 8th undesignated paragraph of section 9 of
2 the Federal Reserve Act (12 U.S.C. 326) is amended by
3 striking “Whenever” and all that follows through “; *Pro-*
4 *vided, however, That*” and inserting “Whenever the appro-
5 priate Federal banking agency (as defined in section 3(q)
6 of the Federal Deposit Insurance Act) shall approve the
7 examinations made by the State authorities, such exami-
8 nations and the examination reports may be accepted in
9 lieu of examinations made by the appropriate Federal
10 banking agency:”.

11 (c) The 13th undesignated paragraph of section 9 of
12 the Federal Reserve Act (12 U.S.C. 330) is amended by
13 striking the 1st sentence and inserting the following new
14 sentence: “Banks which become members of the Federal
15 Reserve System under authority of this section shall be
16 subject to the provisions of this section and to the provi-
17 sions of this Act which relate specifically to member
18 banks, and shall subject to examination by their appro-
19 priate Federal banking agency (as defined in section 3(q)
20 of the Federal Deposit Insurance Act)”.

21 (d) The 16th undesignated paragraph of section 9 of
22 the Federal Reserve Act (12 U.S.C. 333) is amended, in
23 the 1st sentence, by inserting “, by the appropriate Fed-
24 eral banking agency (as defined in section 3(q) of the
25 Federal Deposit Insurance Act)” after “examination”.

1 (e) The 22d undesignated paragraph of section 9 of
2 the Federal Reserve Act (12 U.S.C. 338) is amended to
3 read as follows:

4 “(22) In connection with examinations of State
5 member banks, examiners selected or approved by
6 the appropriate Federal banking agency (as defined
7 in section 3(q) of the Federal Deposit Insurance
8 Act) shall make such examinations of the affairs of
9 all affiliates of such bank as shall be necessary to
10 disclose fully the relations between such banks and
11 their affiliates and the effect of such relations upon
12 the affairs of such banks. The expense of examina-
13 tion of affiliates of any State member bank may, in
14 the discretion of the appropriate Federal regulator,
15 be assessed against such bank and when so assessed,
16 shall be paid by such bank to the appropriate Fed-
17 eral regulator. In the event of the refusal to give any
18 information requested in the course of the examina-
19 tion of any such affiliate, or in the event of the re-
20 fusal to permit such examination, or in the event of
21 the refusal to pay any expense so assessed, the ap-
22 propriate Federal regulator shall inform the Board
23 of Governors of the Federal Reserve System of such
24 refusal. The Board of Governors of the Federal Re-
25 serve System may, in its discretion, require any or

1 all State member banks affiliated with such affiliate
2 to surrender their stock in the Federal reserve bank
3 and to forfeit all rights and privileges of membership
4 in the Federal Reserve System, as provided in this
5 section.”.

6 (f) This section and the amendments made by this
7 section shall take effect on January 1, 1997.

8 **SEC. 503. AMENDMENT TO THE BANK HOLDING COMPANY**
9 **ACT OF 1956.**

10 (a) SUBSTITUTION OF APPROPRIATE AGENCY FOR
11 BOARD.—

12 (1) IN GENERAL.—The Bank Holding Company
13 Act of 1956 (12 U.S.C. 1841 et seq.) is amended by
14 striking “Board” each place such term appears
15 (other than in sections 2(f), 2(h), 4(c)(9), and
16 4(c)(13)) and inserting “appropriate Federal bank-
17 ing agency”.

18 (2) APPROPRIATE FEDERAL BANKING AGENCY
19 DEFINED.—Section 2(f) of the Bank Holding Com-
20 pany Act of 1956 (1841(f)) is amended to read as
21 follows:

22 “(f) APPROPRIATE FEDERAL BANKING AGENCY.—
23 The term ‘appropriate Federal banking agency’ has the
24 meaning given to such term in section 3(q) of the Federal
25 Deposit Insurance Act.”.

1 (b) REPORTS.—Section 5(c) of the Bank Holding
2 Company Act of 1956 (12 U.S.C. 1844(c)) is amended
3 by striking the last sentence.

4 **SEC. 504. AMENDMENT TO THE BANK HOLDING COMPANY**
5 **AMENDMENTS ACT OF 1970.**

6 Section 106(a) of the Bank Holding Company Act
7 Amendments of 1970 (12 U.S.C. 1971) is amended by
8 adding the following sentence at the end thereof: “The
9 term ‘appropriate Federal banking agency’ has the same
10 meaning as in section 3(q) of the Federal Deposit Insur-
11 ance Act.”.

12 **TITLE VI—REGULATORY**
13 **UNIFORMITY**

14 **SEC. 601. AMENDMENTS RELATING TO THE FINANCIAL IN-**
15 **STITUTIONS EXAMINATION COUNCIL.**

16 (a) UNIFORM EXAMINATION AND SUPERVISION.—
17 Subsection (a) of section 1006 of the Federal Financial
18 Institutions Examination Council Act of 1978 is amended
19 to read as follows:

20 “(a) UNIFORM EXAMINATION AND SUPERVISION.—
21 The Council shall, insofar as is practicable, establish uni-
22 form principles and standards for the examination and su-
23 pervision of financial institutions and other providers of
24 financial services within the jurisdiction of the member
25 agencies, which shall be applied by the member agencies.”.

1 (b) RECOMMENDATIONS FOR UNIFORMITY IN OTHER
2 SUPERVISORY MATTERS.—Subsection (b)(1) of section
3 1006 of the Federal Financial Institutions Examination
4 Council Act of 1978 is amended to read as follows:

5 “(b) UNIFORMITY IN OTHER SUPERVISORY MAT-
6 TERS.—

7 “(1) IN GENERAL.—The Council shall make
8 recommendations for uniformity in other supervisory
9 matters, such as identifying financial institutions
10 and other providers of financial services in need of
11 special supervisory attention, the adequacy of super-
12 visory tools for determining the impact of affiliate
13 operations on insured depository institutions and the
14 ability of the member agencies to discover possible
15 fraud or questionable practices.”.

16 (c) UNIFORM REGULATIONS.—Section 1006 of the
17 Federal Financial Institutions Examination Council Act of
18 1978 is amended—

19 (1) by redesignating subsections (e) and (f) as
20 subsections (g) and (h), respectively; and

21 (2) by inserting after subsection (d) the follow-
22 ing new subsections:

23 “(e) UNIFORM REGULATIONS.—

24 “(1) SUBMISSION OF EACH PROPOSED REGULA-
25 TION.—Each Federal financial institutions regu-

1 latory agency shall submit each proposed regulation
2 relating to the supervision and regulation of finan-
3 cial institutions to the Council for comments and
4 recommendations.

5 “(2) REVIEW AND RECOMMENDATIONS.—The
6 Council shall review any proposed regulation submit-
7 ted under subsection (a) and shall provide such com-
8 ments and recommendations to the appropriate Fed-
9 eral regulatory agency as the Council determines to
10 be appropriate in order to—

11 “(A) maintain, insofar as is practicable,
12 uniformity in the requirements of the regula-
13 tions of the appropriate Federal regulatory
14 agencies;

15 “(B) ensure that such regulations address
16 such unsafe or unsound practices involving de-
17 pository institution holding companies and their
18 affiliates as the Council may identify based
19 upon the Council’s or any appropriate Federal
20 regulatory agency’s experience in administering
21 this Act; and

22 “(C) ensure that such regulations take into
23 account competitive conditions in domestic and
24 international financial markets.

25 “(f) AUTHORITY TO ISSUE REGULATIONS.—

1 “(1) IN GENERAL.—Notwithstanding any other
2 provision of law, the Council may, by unanimous
3 vote, issue in the name of the Council any uniform
4 regulation, interpretation, guideline, order, or other
5 administrative action which could be taken sepa-
6 rately by any of the Federal agencies represented on
7 the Council under the Federal Reserve Act, the Fed-
8 eral Deposit Insurance Act, the Home Owners Loan
9 Act, title LXII of the Revised Statutes of the United
10 States, or the Bank Holding Company Act of 1956.

11 “(2) JUDICIAL REVIEW.—Any action taken by
12 the Council under paragraph (1) shall be subject to
13 judicial review as if the action was taken by the
14 member of the Council in whose stead the Council
15 acted.”.

16 (d) TECHNICAL AND CONFORMING AMENDMENT.—
17 Section 1003(1) of the Federal Financial Institutions Ex-
18 amination Council Act of 1978 (12 U.S.C. 3302(1)) is
19 amended to read as follows:

20 “(1) FEDERAL FINANCIAL INSTITUTIONS REGU-
21 LATORY AGENCIES.—The term ‘Federal financial in-
22 stitutions regulatory agencies’ means the Board of
23 Governors of the Federal Reserve System, the Fed-
24 eral Deposit Insurance Corporation, the Federal

1 Bank Agency, and the National Credit Union
2 Administration.”.

3 **TITLE VII—CREDIT UNIONS**

4 **SEC. 701. COMPARABLE SUPERVISORY STANDARDS FOR**
5 **CREDIT UNIONS.**

6 Insured credit unions (as defined in section 101(7)
7 of the Federal Credit Union Act) shall be supervised by
8 the National Credit Union Administration under stand-
9 ards which are comparable to the standards under which
10 Federal depository institutions (as defined in section 3(c)
11 of the Federal Deposit Insurance Act) are supervised by
12 the appropriate Federal banking agency (as defined in
13 section 3(q) of the Federal Deposit Insurance Act, as
14 amended by section 302 of this Act), taking into account
15 the unique mission and nature of credit unions.

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