

AMERICAN FINANCIAL INSTITUTION REGULATORY
SOVEREIGNTY AND TRANSPARENCY ACT OF 2023

DECEMBER 19, 2023.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. MCHENRY, from the Committee on Financial Services,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 4823]

The Committee on Financial Services, to whom was referred the bill (H.R. 4823) to provide enhanced reporting requirements for Federal banking regulators, to amend the Federal Reserve Act to remove the designation of Vice Chairman for Supervision of the Board of Governors of the Federal Reserve System, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “American Financial Institution Regulatory Sovereignty and Transparency Act of 2023” or the “American FIRST Act of 2023”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; Table of contents.

TITLE I—STOP EXECUTIVE CAPTURE OF BANKING REGULATORS

Sec. 101. Report on the implementation of recommendations from the FSOB Chairperson and Executive Orders.

TITLE II—ENSURING U.S. AUTHORITY OVER U.S. BANKING REGULATIONS

Sec. 201. Requirements in connection with rulemakings implementing policies of non-governmental international organizations.

Sec. 202. Report on certain climate-related interactions with covered international organizations.

TITLE III—BANKING REGULATOR INTERNATIONAL REPORTING

Sec. 301. Reporting on interactions with non-governmental international organizations.

TITLE IV—SUPERVISION REFORM

Sec. 401. Removal of the Vice Chairman for Supervision designation.

TITLE I—STOP EXECUTIVE CAPTURE OF BANKING REGULATORS**SEC. 101. REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.**

(a) BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—Section 10 of the Federal Reserve Act (12 U.S.C. 247b), as amended by section 401(b), is further amended by adding at the end the following:

“(11) REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.—The Board of Governors of the Federal Reserve System may not implement a non-binding recommendation made by the Chairperson of the Financial Stability Oversight Council or contained in an Executive Order unless the Board of Governors first provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with—

“(A) notice that the Board of Governors intends to implement such recommendation;

“(B) a report containing the proposed implementation by the Board of Governors and a justification for such implementation; and

“(C) upon request, not later than the end of the 120-day period beginning on the date of the notice under subparagraph (A), testimony on such proposed implementation.”.

(b) OFFICE OF THE COMPTROLLER OF THE CURRENCY.—Section 324 of the Revised Statutes of the United States (12 U.S.C. 1) is amended by adding at the end the following:

“(c) REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.—The Comptroller of the Currency may not implement a non-binding recommendation made by the Chairperson of the Financial Stability Oversight Council or contained in an Executive Order unless the Comptroller of the Currency first provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with—

“(1) notice that the Comptroller of the Currency intends to implement such recommendation;

“(2) a report containing the proposed implementation by the Comptroller of the Currency and a justification for such implementation; and

“(3) upon request, not later than the end of the 120-day period beginning on the date of the notice under paragraph (1), testimony on such proposed implementation.”.

(c) FEDERAL DEPOSIT INSURANCE CORPORATION.—Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812) is amended by inserting after subsection (f) the following:

“(g) REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.—The Board of Directors of the Corporation may not implement a non-binding recommendation made by the Chairperson of the Financial Stability Oversight Council or contained in an Executive Order unless the Board of Directors first provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with—

“(1) notice that the Board of Directors intends to implement such recommendation;

“(2) a report containing the proposed implementation by the Board of Directors and a justification for such implementation; and

“(3) upon request, not later than the end of the 120-day period beginning on the date of the notice under paragraph (1), testimony on such proposed implementation.”.

(d) NATIONAL CREDIT UNION ADMINISTRATION.—Section 102 of the Federal Credit Union Act (12 U.S.C. 1752a) is amended by adding at the end the following:

“(g) REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.—The Board may not implement a non-binding recommendation made by the Chairperson of the Financial Stability Oversight Council or contained in an Executive Order unless the Board first provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with—

- “(1) notice that the Board intends to implement such recommendation;
- “(2) a report containing the proposed implementation by the Board and a justification for such implementation; and
- “(3) upon request, not later than the end of the 120-day period beginning on the date of the notice under paragraph (1), testimony on such proposed implementation.”.

(e) **FEDERAL HOUSING FINANCE AGENCY.**—Section 1311 of the Housing and Community Development Act of 1992 (12 U.S.C. 4511) is amended by adding at the end the following:

“(d) **REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.**—The Director may not implement a non-binding recommendation made by the Chairperson of the Financial Stability Oversight Council or contained in an Executive Order unless the Director first provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with—

- “(1) notice that the Director intends to implement such recommendation;
- “(2) a report containing the proposed implementation by the Director and a justification for such implementation; and
- “(3) upon request, not later than the end of the 120-day period beginning on the date of the notice under paragraph (1), testimony on such proposed implementation.”.

TITLE II—ENSURING U.S. AUTHORITY OVER U.S. BANKING REGULATIONS

SEC. 201. REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.

(a) **BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.**—Section 10 of the Federal Reserve Act (12 U.S.C. 247b), as amended by section 101(a), is further amended by inserting after paragraph (11) the following:

“(12) **REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.**—

“(A) **IN GENERAL.**—The Board of Governors of the Federal Reserve System may not propose or finalize a major covered rule unless, not later than 120 days before issuing such a proposed or final rule, the Board of Governors provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with notice, testimony, and a detailed economic analysis with respect to the proposed or final rule, including projections of economic costs, sectoral effects, and effects on the availability of credit, the gross domestic product, and employment.

“(B) **MAJOR COVERED RULE DEFINED.**—In this paragraph, the term ‘major covered rule’ means a rule—

“(i) that the Board of Governors determines would have an effect, in the aggregate, on the economy of the United States of \$10,000,000,000 or more during the 10-year period beginning on the date the rule takes effect; and

“(ii) that is intended to align or conform with a recommendation from a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision).”.

(b) **OFFICE OF THE COMPTROLLER OF THE CURRENCY.**—Section 324 of the Revised Statutes of the United States (12 U.S.C. 1), as amended by section 101(b), is further amended by adding at the end the following:

“(d) **REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.**—

“(1) **IN GENERAL.**—The Comptroller of the Currency may not propose or finalize a major covered rule unless, not later than 120 days before issuing such a proposed or final rule, the Comptroller of the Currency provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with notice, testimony, and a detailed economic analysis with respect to the proposed or final rule, including projections of economic costs, sectoral effects, and effects on the availability of credit, the gross domestic product, and employment.

“(2) **MAJOR COVERED RULE DEFINED.**—In this subsection, the term ‘major covered rule’ means a rule—

“(A) that the Comptroller of the Currency determines would have an effect, in the aggregate, on the economy of the United States of \$10,000,000,000 or more during the 10-year period beginning on the date the rule takes effect; and

“(B) that is intended to align or conform with a recommendation from a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision).”.

(c) FEDERAL DEPOSIT INSURANCE CORPORATION.—Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812), as amended by section 101(c), is further amended by inserting after subsection (g) the following:

“(h) REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—

“(1) IN GENERAL.—The Board of Directors of the Corporation may not propose or finalize a major covered rule unless, not later than 120 days before issuing such a proposed or final rule, the Board of Directors provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with notice, testimony, and a detailed economic analysis with respect to the proposed or final rule, including projections of economic costs, sectoral effects, and effects on the availability of credit, the gross domestic product, and employment.

“(2) MAJOR COVERED RULE DEFINED.—In this subsection, the term ‘major covered rule’ means a rule—

“(A) that the Board of Directors determines would have an effect, in the aggregate, on the economy of the United States of \$10,000,000,000 or more during the 10-year period beginning on the date the rule takes effect; and

“(B) that is intended to align or conform with a recommendation from a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision).”.

(d) NATIONAL CREDIT UNION ADMINISTRATION.—Section 102 of the Federal Credit Union Act (12 U.S.C. 1752a), as amended by section 101(d), is further amended by adding at the end the following:

“(h) REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—

“(1) IN GENERAL.—The Board may not propose or finalize a major covered rule unless, not later than 120 days before issuing such a proposed or final rule, the Board provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with notice, testimony, and a detailed economic analysis with respect to the proposed or final rule, including projections of economic costs, sectoral effects, and effects on the availability of credit, the gross domestic product, and employment.

“(2) MAJOR COVERED RULE DEFINED.—In this subsection, the term ‘major covered rule’ means a rule—

“(A) that the Board determines would have an effect, in the aggregate, on the economy of the United States of \$10,000,000,000 or more during the 10-year period beginning on the date the rule takes effect; and

“(B) that is intended to align or conform with a recommendation from a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision).”.

(e) FEDERAL HOUSING FINANCE AGENCY.—Section 1311 of the Housing and Community Development Act of 1992 (12 U.S.C. 4511), as amended by section 101(e), is further amended by adding at the end the following:

“(e) REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—

“(1) IN GENERAL.—The Director may not propose or finalize a major covered rule unless, not later than 120 days before issuing such a proposed or final rule, the Director provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with notice, testimony, and a detailed economic analysis with respect to the proposed or final rule, including projections of economic costs, sectoral effects, and effects on the availability of credit, the gross domestic product, and employment.

“(2) MAJOR COVERED RULE DEFINED.—In this subsection, the term ‘major covered rule’ means a rule—

“(A) that the Director determines would have an effect, in the aggregate, on the economy of the United States of \$10,000,000,000 or more during the 10-year period beginning on the date the rule takes effect; and

“(B) that is intended to align or conform with a recommendation from a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision).”.

SEC. 202. REPORT ON CERTAIN CLIMATE-RELATED INTERACTIONS WITH COVERED INTERNATIONAL ORGANIZATIONS.

(a) IN GENERAL.—A Federal banking regulator may not meet with or otherwise engage with a covered international organization on the topic of climate-related financial risk during a calendar year unless the Federal banking regulator has issued a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing, for the previous calendar year—

(1) a complete description of the activities of the covered international organization in which the Federal banking regulator participates (including any task force, committee, or other organizational unit thereof); and

(2) a detailed accounting of the governmental and non-governmental funding sources of the covered international organization (including any task force, committee, or other organizational unit thereof).

(b) DEFINITIONS.—In this section:

(1) COVERED INTERNATIONAL ORGANIZATION.—The term “covered international organization” means the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision.

(2) FEDERAL BANKING REGULATOR.—The term “Federal banking regulator” means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Federal Housing Finance Agency, the National Credit Union Administration, and the Office of the Comptroller of the Currency.

TITLE III—BANKING REGULATOR INTERNATIONAL REPORTING

SEC. 301. REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.

(a) BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.—Section 10 of the Federal Reserve Act (12 U.S.C. 247b), as amended by section 201(a), is further amended by inserting after paragraph (12) the following:

“(13) REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—With respect to interactions between the Board of Governors of the Federal Reserve System and a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision), the Board of Governors shall—

“(A) keep a complete record of all such interactions, including minutes of all meetings and any recommendations made during such interaction for international standardization with respect to open-market policies and operations, discount lending and operations (including collateral policies), or supervisory policies and operations; and

“(B) issue an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

“(i) all of the information recorded pursuant to subparagraph (A) with respect to the previous year; and

“(ii) with respect to each non-governmental international organization with which the Board of Governors had an interaction in the previous year, a description of the funding sources of the non-governmental international organization.”.

(b) OFFICE OF THE COMPTROLLER OF THE CURRENCY.—Section 324 of the Revised Statutes of the United States (12 U.S.C. 1), as amended by section 201(b), is further amended by adding at the end the following:

“(e) REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—With respect to interactions between the Office of the Comptroller of the Currency and a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision), the Comptroller of the Currency shall—

“(1) keep a complete record of all such interactions, including minutes of all meetings and any recommendations made during such interaction for international standardization with respect to discount lending and operations (including collateral policies) or supervisory policies and operations; and

“(2) issue an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

“(A) all of the information recorded pursuant to paragraph (1) with respect to the previous year; and

“(B) with respect to each non-governmental international organization with which the Office of the Comptroller of the Currency had an interaction in the previous year, a description of the funding sources of the non-governmental international organization.”

(c) FEDERAL DEPOSIT INSURANCE CORPORATION.—Section 2 of the Federal Deposit Insurance Act (12 U.S.C. 1812), as amended by section 201(c), is further amended is amended by inserting after subsection (h) the following:

“(i) REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—With respect to interactions between the Federal Deposit Insurance Corporation and a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision), the Board of Directors of the Corporation shall—

“(1) keep a complete record of all such interactions, including minutes of all meetings and any recommendations made during such interaction for international standardization with respect to discount lending and operations (including collateral policies) or supervisory policies and operations; and

“(2) issue an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

“(A) all of the information recorded pursuant to paragraph (1) with respect to the previous year; and

“(B) with respect to each non-governmental international organization with which the Corporation had an interaction in the previous year, a description of the funding sources of the non-governmental international organization.”

(d) NATIONAL CREDIT UNION ADMINISTRATION.—Section 102 of the Federal Credit Union Act (12 U.S.C. 1752a), as amended by section 201(d), is further amended by adding at the end the following:

“(i) REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—With respect to interactions between the Administration and a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision), the Board shall—

“(1) keep a complete record of all such interactions, including minutes of all meetings and any recommendations made during such interaction for international standardization with respect to discount lending and operations (including collateral policies) or supervisory policies and operations; and

“(2) issue an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

“(A) all of the information recorded pursuant to paragraph (1) with respect to the previous year; and

“(B) with respect to each non-governmental international organization with which the Administration had an interaction in the previous year, a description of the funding sources of the non-governmental international organization.”

(e) FEDERAL HOUSING FINANCE AGENCY.—Section 1311 of the Housing and Community Development Act of 1992 (12 U.S.C. 4511), as amended by section 201(e), is further amended by adding at the end the following:

“(f) REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—With respect to interactions between the Federal Housing Finance

Agency and a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision), the Director shall—

“(1) keep a complete record of all such interactions, including minutes of all meetings and any recommendations made during such interaction for international standardization with respect to discount lending and operations (including collateral policies) or supervisory policies and operations; and

“(2) issue an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

“(A) all of the information recorded pursuant to paragraph (1) with respect to the previous year; and

“(B) with respect to each non-governmental international organization with which the Federal Housing Finance Agency had an interaction in the previous year, a description of the funding sources of the non-governmental international organization.”.

TITLE IV—SUPERVISION REFORM

SEC. 401. REMOVAL OF THE VICE CHAIRMAN FOR SUPERVISION DESIGNATION.

(a) IN GENERAL.—The second undesignated paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 242) (relating to the Chairman and Vice Chairman of the Board) is amended by striking “and 2 shall be designated by the President, by and with the advice and consent of the Senate, to serve as Vice Chairmen of the Board, each for a term of 4 years, 1 of whom shall serve in the absence of the Chairman, as provided in the fourth undesignated paragraph of this section, and 1 of whom shall be designated Vice Chairman for Supervision. The Vice Chairman for Supervision shall develop policy recommendations for the Board regarding supervision and regulation of depository institution holding companies and other financial firms supervised by the Board, and shall oversee the supervision and regulation of such firms.” and inserting “and 1 shall be designated by the President, by and with the consent of the Senate, to serve as Vice Chairman of the Board for a term of 4 years.”.

(b) CONFORMING AMENDMENT.—Section 10 of the Federal Reserve Act (12 U.S.C. 241 et seq.) is amended by striking paragraph (12).

PURPOSE AND SUMMARY

Introduced on July 24, 2023, by Representative Barry Loudermilk, H.R. 4823, *the American Financial Institution Regulator Sovereignty and Transparency Act*, would require federal financial regulatory agencies to provide notification, reports, and testimony to Congress when they decide to: implement recommendations from the Chair of the Financial Stability Oversight Council (FSOC) or from Executive Orders of the President; or promulgate proposed or final rules derived from proposals created by international regulatory standard-setting organizations when those proposed rules have \$10 billion or more in estimated effects on the U.S. economy. The bill prohibits those agencies from engaging with international organizations unless they provide Congress with reports on their activities and funding sources and directs them to provide reports to Congress on the activities and funding sources of international organizations with whom they interact and participate. Finally, the bill eliminates the position of Vice Chair for Supervision of the Board of Governors of the Federal Reserve System.

BACKGROUND AND NEED FOR LEGISLATION

H.R. 4823 contains part of these four previously introduced bills:
H.R. 4737, *the Stop Executive Capture of Banking Regulators Act*

H.R. 4649, the *Ensuring U.S. Authority Over U.S. Banking Regulations Act*

H.R. 4601, the *Banking Regulator International Reporting Act*

H.R. 4630, the *Supervision Reform Act*

Title I—H.R. 4737, the *Stop Executive Capture of Banking Regulators Act*, was introduced on July 19, 2023, by Representative Mike Flood

Title I would require the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Board of Directors of the Federal Deposit Insurance Corporation (FDIC), (collectively, the Federal banking agencies), the National Credit Union Administration Board (NCUA), and the Federal Housing Finance Agency (FHFA) to notify the House Financial Services and Senate Banking Committees prior to implementing any non-binding recommendation from the Chairperson of the FSOC or contained in an Executive Order. Each Federal banking agency, the NCUA, and the FHFA would be required to provide a report with proposed implementation and justification. They would also be required to provide testimony on request regarding the proposed implementation. By doing so, banking regulators who are supposed to be politically independent will be compelled to justify adherence to potentially politicized recommendations, helping prevent political capture of banking regulators.

Federal banking regulators have coordinated recently to begin implementation of climate-related financial risk management principles. In the case of the FRB, they have mandated a climate scenario analysis for some large banks, following recommendations of an Executive Order of President Biden and, relatedly, recommendations from FSOC Chair Yellen, who also serves in the President’s cabinet. Those recommendations have been followed by banking regulators under the guise of protecting safety and soundness and financial stability in the face of purported climate-related financial risks facing financial institutions.

The Fed has been the first to act on recommendations from the Executive Order and from Non-Governmental Organizations (NGOs) to undertake climate scenario analyses. On September 29, 2022, under the guise of monitoring risks that could be relevant for “safety and soundness” of large financial institutions, the Fed established its “pilot climate scenario analysis exercise.” Six of the nation’s largest banks are required to participate to “enhance the ability of supervisors and firms to measure and manage climate-related financial risks.” The six firms—large financial institutions—already measure relevant financial risks and do not need the enhancement and help promised by the Fed.

Title I would require that Congress be notified of any changes in banking regulators’ policies or regulations imposed as a result of recommendations by the FSOC or Executive Orders to place greater transparency and accountability into regulatory processes.

Title II—H.R. 4649, the *Ensuring U.S. Authority Over U.S. Banking Regulations Act*, was introduced on July 14, 2023, by Representative Barry Loudermilk

This title would require each Federal banking agency, the NCUA, and the FHFA to provide the House Financial Services and Senate Banking Committees with notice, testimony, and a detailed economic analysis with respect to any proposed or final major rule that is intended to align or conform with a recommendation from an international NGO, including the Financial Stability Board (FSB), the Bank for International Settlements (BIS), the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), and the Basel Committee on Banking Supervision (BCBS). A major rule is defined as one that would have an effect, in the aggregate, on the U.S. economy of \$10 billion or more during the 10-year period beginning on the date the rule takes effect. The required detailed economic analysis is required to include projections of economic costs, sectoral effects, and the effects on the availability of credit, the gross domestic product, and employment.

In addition, under this title, Federal banking agencies, the NCUA, and the FHFA are prohibited from meeting or otherwise engaging with certain international organizations on the topic of climate-related financial risk during a calendar year unless each agency has issued a report to the House Financial Services and Senate Banking Committees. These reports would describe the activities of the international organization and include a detailed accounting of the funding sources of the international organization. The covered organizations include the FSB, the BIS, the NGFS, and the BCBS.

U.S. regulators of financial institutions participate in various forums arranged by NGOs, which are aggressively pushing incorporation of climate policies into financial regulation in particular and credit allocation generally. The NGOs include: the FSB, the BIS, the NGFS, and the BCBS. Those NGOs threaten to infuse policy preferences of the EU, China, and other foreign entities into U.S. financial regulations. The NGFS has aggressively pushed for climate scenario analysis—a form of stress testing of institutions’ balance sheets against highly speculative adverse climate scenarios.

If continued, efforts to infuse purported climate-related financial risks into Federal bank regulations, including in stress testing by the Fed, could lead to climate-related capital, liquidity, and other requirements being imposed on financial institutions. Those requirements would have economic effects, and if such effect would be projected to exceed \$10 billion, then, according to this Title, a regulator would have to provide notice, testimony, and analysis to the House Financial Services and Senate Banking Committees. To further promote enhanced transparency and accountability, this Title would prohibit a federal regulator from continuing to meet with international NGOs, absent meeting specified accounting and reporting requirements to Congress.

Title III—H.R. 4601, the *Banking Regulator International Reporting Act*, was introduced on July 13, 2023, by Representative Andy Barr

Title III would require each Federal banking agency, the NCUA, and the FHFA to keep complete records of all interactions with cer-

tain international NGOs, including the FSB, the BIS, the NGFS, and the BCBS, and to issue an annual report to the House Financial Services and Senate Banking Committees detailing such interactions and the funding sources of each international NGO. The records of such interactions would be required to include minutes of all meetings, any recommendations made during such interactions regarding open-market policies and operations, discount lending and operations, and supervisory policies and operations.

Title III would require enhanced transparency and monitoring with respect to interactions and meetings with international NGOs, recommendations to U.S. regulators from those NGOs, and any regulatory actions that U.S. regulators may intend to pursue under the guise of moving to conform with international standards, such as those promoted by the unaccountable international NGOs.

Title IV—H.R. 4630, the *Supervision Reform Act*, was introduced on July 13, 2023, by Representative Andy Ogles

Title IV would remove the designation of a member of the Federal Reserve Board as Vice Chairman for Supervision and make conforming amendments in the Federal Reserve Act.

Section 1108(a)(1) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank; Public Law No: 111–203) established a new position on the Federal Reserve Board titled Vice Chairman for Supervision. According to Section 1108(a)(1) of Dodd-Frank: “The Vice Chairman for Supervision shall develop policy recommendations for the Board regarding supervision and regulation of depository institution holding companies and other financial firms supervised by the [Federal Reserve] Board and shall oversee the supervision and regulation of such firms.”

The current Vice Chairman for Supervision and the Chair of the Federal Reserve Board have taken an overly broad interpretation of the Vice Chairman’s authorities provided under section 1108(a)(1) of Dodd-Frank. The section only authorizes the Vice Chairman for Supervision to be able to “develop policy recommendations for the Board regarding supervision and regulation” and to “oversee the supervision and regulation” of Board-regulated financial firms.¹⁴ Nothing in Dodd-Frank authorizes the Vice Chairman for Supervision to assume abilities to unilaterally act and make pronouncements on behalf of the full Board of Governors regarding matters related to supervision and regulation with little or no participation from other members of the Board.

The current Vice Chairman for Supervision has, since July 2022, led a public-facing and rushed review of management and supervisory failures with respect to Silicon Vally Bank, coupled with the Vice Chairman’s own personal and politicized assessment, on behalf of the Board. The Vice Chairman’s review of Silicon Valley Bank and his “holistic” review of the Board’s framework for imposing capital, liquidity, and other requirements on financial firms have disturbingly been conducted with little to no substantive input from the full Board.

In addition, the Vice Chairman for Supervision has initiated a climate scenario analysis exercise in which six large banks regulated by the Board are mandated to participate. The exercise will be used to gather information that will not be publicly available but will be used to write a public-facing assessment of what the

Vice Chairman for Supervision believes the information reveals—an assessment that neither the public nor Congress will be able to corroborate.

Such concentrated power in one individual on the Board of Governors, when misused, threatens the full flow of information and collaboration on regulatory and supervisory issues that is relied on by the full Board of Governors. This can have significant economic effects on American workers, families, and businesses of all sizes. The Dodd-Frank Act’s special assignment of the title of Vice Chairman for Supervision has not proven to be a net positive for Board function. The misinterpretation of the Vice Chairman for Supervision’s limited and narrow authorities provided by Dodd-Frank threatens the independence of the Federal Reserve.

HEARING

Pursuant to clause 3(c)(6) of rule XIII, the following hearing was used to develop H.R. 4823: The Subcommittee on Financial Institutions and Monetary Policy of the Committee on Financial Services held a hearing on July 18, 2023, titled “Climate-Risk: Are Financial Regulators Politically Independent?”

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on July 27, 2023, and ordered H.R. 4823 to be reported favorably to the House as amended by a recorded vote of 29 ayes to 21 nays (Record vote no. FC–93), a quorum being present. Before the question was called to order the bill favorably reported, the Committee adopted an amendment in the nature of a substitute offered by Mr. Loudermilk by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the order to report legislation and amendments thereto. H.R. 4823 was ordered reported favorably to the House as amended by a recorded vote of 29 ayes to 21 nays (Record vote no. FC–93), a quorum being present.

An en bloc vote for amendments offered by Ms. Beatty (no. 16) and Ms. Garcia (no. 17) was not agreed to by a recorded vote of 21 ayes to 29 nays, a quorum being present (Record vote no. FC–92).

Record vote no. FC- 93

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. McHenry	X	—	—	Ms. Waters	—	X	—
Mr. Hill	X	—	—	Mrs. Velazquez	—	X	—
Mr. Lucas	X	—	—	Mr. Sherman	—	X	—
Mr. Sessions	X	—	—	Mr. Meeks	—	X	—
Mr. Posey	X	—	—	Mr. Scott	—	—	—
Mr. Luetkemeyer	X	—	—	Mr. Lynch	—	X	—
Mr. Huizenga	X	—	—	Mr. Green	—	X	—
Mrs. Wagner	X	—	—	Mr. Cleaver	—	—	—
Mr. Barr	X	—	—	Mr. Himes	—	X	—
Mr. Williams (TX)	X	—	—	Mr. Foster	—	X	—
Mr. Emmer	X	—	—	Mrs. Beatty	—	X	—
Mr. Loudermilk	X	—	—	Mr. Vargas	—	X	—
Mr. Mooney	X	—	—	Mr. Gottheimer	—	X	—
Mr. Davidson	X	—	—	Mr. Gonzalez	—	X	—
Mr. Rose	X	—	—	Mr. Casten	—	X	—
Mr. Steil	X	—	—	Ms. Pressley	—	X	—
Mr. Timmons	X	—	—	Mr. Horsford	—	X	—
Mr. Norman	X	—	—	Ms. Tlaib	—	X	—
Mr. Meuser	X	—	—	Mr. Torres	—	X	—
Mr. Fitzgerald	X	—	—	Ms. Garcia	—	X	—
Mr. Garbarino	X	—	—	Ms. Williams (GA)	—	X	—
Mrs. Kim	X	—	—	Mr. Nickel	—	X	—
Mr. Donalds	X	—	—	Ms. Pettersen	—	X	—
Mr. Flood	X	—	—				
Mr. Lawler	X	—	—				
Mr. Nunn	X	—	—				
Ms. De La Cruz	X	—	—				
Mrs. Houchin	X	—	—				
Mr. Ogles	X	—	—				

Record vote no. FC- 92

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. McHenry	___	X	___	Ms. Waters	X	___	___
Mr. Hill	___	X	___	Mrs. Velázquez	X	___	___
Mr. Lucas	___	X	___	Mr. Sherman	X	___	___
Mr. Sessions	___	X	___	Mr. Meeks	X	___	___
Mr. Posey	___	X	___	Mr. Scott	___	___	___
Mr. Luetkemeyer	___	X	___	Mr. Lynch	X	___	___
Mr. Huizenga	___	X	___	Mr. Green	X	___	___
Mrs. Wagner	___	X	___	Mr. Cleaver	___	___	___
Mr. Barr	___	X	___	Mr. Himes	X	___	___
Mr. Williams (TX)	___	X	___	Mr. Foster	X	___	___
Mr. Emmer	___	X	___	Mrs. Beatty	X	___	___
Mr. Loudermilk	___	X	___	Mr. Vargas	X	___	___
Mr. Mooney	___	X	___	Mr. Gottheimer	X	___	___
Mr. Davidson	___	X	___	Mr. Gonzalez	X	___	___
Mr. Rose	___	X	___	Mr. Casten	X	___	___
Mr. Steil	___	X	___	Ms. Pressley	X	___	___
Mr. Timmons	___	X	___	Mr. Horsford	X	___	___
Mr. Norman	___	X	___	Ms. Tlaib	X	___	___
Mr. Meuser	___	X	___	Mr. Torres	X	___	___
Mr. Fitzgerald	___	X	___	Ms. Garcia	X	___	___
Mr. Garbarino	___	X	___	Ms. Williams (GA)	X	___	___
Mrs. Kim	___	X	___	Mr. Nickel	X	___	___
Mr. Donalds	___	X	___	Ms. Pettersen	X	___	___
Mr. Flood	___	X	___				
Mr. Lawler	___	X	___				
Mr. Nunn	___	X	___				
Ms. De La Cruz	___	X	___				
Mrs. Houchin	___	X	___				
Mr. Ogles	___	X	___				

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 4823 is to increase the transparency of the federal financial regulatory agencies' interactions with international regulatory standard-setting organizations and require the agencies to provide notification, reports, and testimony to Congress regarding the activities, funding sources, and decisions of those international organizations. The bill also safeguards the political independence of the agencies by requiring notification, reports, and testimony to Congress when they act in accordance with often politicized Executive Orders of the President or recommendations from the Chair of FSOC. The bill eliminates the position of Vice Chairman for Supervision of the Board of Governors of the Federal Reserve System given the position's potential for partisan preferences to override sound policy and the concentration of undue supervisory and regulatory power into the hands of a single individual instead of the Board of Governors as a whole.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of House rule XIII, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

The Committee has requested, but has not received, an estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, once an estimate has been prepared by the Director of the Congressional Budget Office, as required by section 402 of the Congressional Budget Act of 1973, the Committee will adopt as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues.

FEDERAL MANDATES STATEMENT

The Committee has requested, but not received, an estimate of the Federal mandates from the Director of the Congressional Budget Office, pursuant to section 423 of the Unfunded Mandates Reform Act. The Committee will adopt the estimate once it has been prepared by the Director.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

TITLE I—STOP EXECUTIVE CAPTURE OF BANKING REGULATORS

Sec. 101 Report on the Implementation of Recommendations from the FSOC Chair and Executive Orders

This section prohibits the Federal Reserve Board of Governors, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Federal Housing Finance Agency (“federal financial regulatory agencies”) from implementing recommendations made by the Chair of the Financial Stability Oversight Council or in Executive Orders unless the aforementioned agencies provide the relevant committees of Congress notice, reports, and testimony regarding their intention and justification for implementing such recommendations.

TITLE II—ENSURING U.S. AUTHORITY OVER U.S. BANKING REGULATIONS

Sec. 201—Requirements in connection with rulemakings implementing policies of non-government international organizations

This section requires that the federal financial regulatory agencies provide notice, reports, and testimony to relevant committees of Congress regarding their decision to propose or finalize major rules intended to implement proposed regulatory recommendations from international regulatory standard-setting organizations at least 120 days prior to such rule proposals or finalizations. A major

rule is defined as any rule that would have an aggregate effect of \$10 billion or greater on the U.S. economy.

Sec. 202—Report on certain climate-related interactions with covered international organizations

This section prohibits the federal financial regulatory agencies from participating in climate-related financial risk activities of international regulatory standard-setting organizations unless the agencies provide the relevant committees of Congress a report on the activities and funding sources of the international organization. The international organizations specifically covered are the Financial Stability board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision.

TITLE III—BANKING REGULATOR INTERNATIONAL REPORTING

Sec. 301—Reporting on interactions with non-governmental international organizations

This section requires the federal financial regulatory agencies to keep detailed records of their interactions with and participation in international regulatory standard-setting organizations and provide the relevant committees of Congress a report containing those detailed records and describing the funding sources of the international organization.

TITLE IV—SUPERVISION REFORM

Sec. 401—Removal of the vice chairman for supervision designation

This section abolishes the position of the Vice Chair for Supervision of the Board of Governors of the Federal Reserve System.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

FEDERAL RESERVE ACT

* * * * *

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

SEC. 10. The Board of Governors of the Federal Reserve System (hereinafter referred to as the “Board”) shall be composed of seven members, to be appointed by the President, by and with the advice and consent of the Senate, after the date of enactment of the Banking Act of 1935, for terms of fourteen years except as hereinafter provided, but each appointive member of the Federal Reserve Board in office on such date shall continue to serve as a member of the Board until February 1, 1936, and the Secretary of the Treasury and the Comptroller of the Currency shall continue to serve as members of the Board until February 1, 1936. In selecting

the members of the Board, not more than one of whom shall be selected from any one Federal Reserve district, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country. In selecting members of the Board, the President shall appoint at least 1 member with demonstrated primary experience working in or supervising community banks having less than \$10,000,000,000 in total assets. The members of the Board shall devote their entire time to the business of the Board and shall each receive an annual salary of \$15,000, payable monthly, together with actual necessary traveling expenses.

The members of the Board shall be ineligible during the time they are in office and for two years thereafter to hold any office, position, or employment in any member bank, except that this restriction shall not apply to a member who has served the full term for which he was appointed. Upon the expiration of the term of any appointive member of the Federal Reserve Board in office on the date of enactment of the Banking Act of 1935, the President shall fix the term of the successor to such member at not to exceed fourteen years, as designated by the President at the time of nomination, but in such manner as to provide for the expiration of the term of not more than one member in any two-year period, and thereafter each member shall hold office for a term of fourteen years from the expiration of the term of his predecessor, unless sooner removed for cause by the President. Of the persons thus appointed, 1 shall be designated by the President, by and with the advice and consent of the Senate, to serve as Chairman of the Board for a term of 4 years, [and 2 shall be designated by the President, by and with the advice and consent of the Senate, to serve as Vice Chairmen of the Board, each for a term of 4 years, 1 of whom shall serve in the absence of the Chairman, as provided in the fourth undesignated paragraph of this section, and 1 of whom shall be designated Vice Chairman for Supervision. The Vice Chairman for Supervision shall develop policy recommendations for the Board regarding supervision and regulation of depository institution holding companies and other financial firms supervised by the Board, and shall oversee the supervision and regulation of such firms.] *and 1 shall be designated by the President, by and with the consent of the Senate, to serve as Vice Chairman of the Board for a term of 4 years.* The chairman of the Board, subject to its supervision, shall be its active executive officer. Each member of the Board shall within fifteen days after notice of appointment make and subscribe to the oath of office. Upon the expiration of their terms of office, members of the Board shall continue to serve until their successors are appointed and have qualified. Any person appointed as a member of the Board after the date of enactment of the Banking Act of 1935 shall not be eligible for reappointment as such member after he shall have served a full term of fourteen years.

The Board of Governors of the Federal Reserve System shall have power to levy semiannually upon the Federal reserve banks, in proportion to their capital stock and surplus, an assessment sufficient to pay its estimated expenses and the salaries of its members and employees for the half year succeeding the levying of such assessment, together with any deficit carried forward from the pre-

ceding half year, and such assessments may include amounts sufficient to provide for the acquisition by the Board in its own name of such site or building in the District of Columbia as in its judgment alone shall be necessary for the purpose of providing suitable and adequate quarters for the performance of its functions. After September 1, 2000, the Board may also use such assessments to acquire, in its own name, a site or building (in addition to the facilities existing on such date) to provide for the performance of the functions of the Board. After approving such plans, estimates, and specifications as it shall have caused to be prepared, the Board may, notwithstanding any other provision of law, cause to be constructed on any site so acquired by it a building or buildings suitable and adequate in its judgment for its purposes and proceed to take all such steps as it may deem necessary or appropriate in connection with the construction, equipment, and furnishing of such building or buildings. The Board may maintain, enlarge, or remodel any building or buildings so acquired or constructed and shall have sole control of such building or buildings and space therein.

The principal offices of the Board shall be in the District of Columbia. At meetings of the Board the chairman shall preside, and, in his absence, the vice chairman shall preside. In the absence of the chairman and the vice chairman, the Board shall elect a member to act as chairman pro tempore. The Board shall determine and prescribe the manner in which its obligations shall be incurred and its disbursements and expenses allowed and paid, and may leave on deposit in the Federal Reserve banks the proceeds of assessments levied upon them to defray its estimated expenses and the salaries of its members and employees, whose employment, compensation, leave, and expenses shall be governed solely by the provisions of this Act, specific amendments thereof, and rules and regulations of the Board not inconsistent therewith; and funds derived from such assessments shall not be construed to be Government funds or appropriated moneys. No member of the Board of Governors of the Federal Reserve System shall be an officer or director of any bank, banking institution, trust company, or Federal Reserve bank or hold stock in any bank, banking institution, or trust company; and before entering upon his duties as a member of the Board of Governors of the Federal Reserve System he shall certify under oath that he has complied with this requirement, and such certification shall be filed with the secretary of the Board. Whenever a vacancy shall occur, other than by expiration of term, among the six members of the Board of Governors of the Federal Reserve System appointed by the President as above provided, a successor shall be appointed by the President, by and with the advice and consent of the Senate, to fill such vacancy, and when appointed he shall hold office for the unexpired term of his predecessor.

The President shall have power to fill all vacancies that may happen on the Board of Governors of the Federal Reserve System during the recess of the Senate by granting commissions which shall expire with the next session of the Senate.

Nothing in this Act contained shall be construed as taking away any powers heretofore vested by law in the Secretary of the Treasury which relate to the supervision, management, and control of the Treasury Department and bureaus under such department, and

wherever any power vested by this Act in the Board of Governors of the Federal Reserve System or the Federal reserve agent appears to conflict with the powers of the Secretary of the Treasury, such powers shall be exercised subject to the supervision and control of the Secretary.

The Board of Governors of the Federal Reserve System shall annually make a full report of its operations to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress. The report required under this paragraph shall include the reports required under section 707 of the Equal Credit Opportunity Act, section 18(f)(7) of the Federal Trade Commission Act, section 114 of the Truth in Lending Act, and the tenth undesignated paragraph of this section.

No Federal Reserve bank may authorize the acquisition or construction of any branch building, or enter into any contract or other obligation for the acquisition or construction of any branch building, without the approval of the Board.

The Board of Governors of the Federal Reserve System shall keep a complete record of the action taken by the Board and by the Federal Open Market Committee upon all questions of policy relating to open-market operations and shall record therein the votes taken in connection with the determination of open-market policies and the reasons underlying the action of the Board and the Committee in each instance. The Board shall keep a similar record with respect to all questions of policy determined by the Board, and shall include in its annual report to the Congress a full account of the action so taken during the preceding year with respect to open-market policies and operations and with respect to the policies determined by it and shall include in such report a copy of the records required to be kept under the provisions of this paragraph.

【(12) APPEARANCES BEFORE CONGRESS.—The Vice Chairman for Supervision shall appear before the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives and at semi-annual hearings regarding the efforts, activities, objectives, and plans of the Board with respect to the conduct of supervision and regulation of depository institution holding companies and other financial firms supervised by the Board. 】

(11) *REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.—The Board of Governors of the Federal Reserve System may not implement a non-binding recommendation made by the Chairperson of the Financial Stability Oversight Council or contained in an Executive Order unless the Board of Governors first provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with—*

(A) notice that the Board of Governors intends to implement such recommendation;

(B) a report containing the proposed implementation by the Board of Governors and a justification for such implementation; and

(C) upon request, not later than the end of the 120-day period beginning on the date of the notice under subparagraph (A), testimony on such proposed implementation.

(12) *REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—*

(A) *IN GENERAL.—The Board of Governors of the Federal Reserve System may not propose or finalize a major covered rule unless, not later than 120 days before issuing such a proposed or final rule, the Board of Governors provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with notice, testimony, and a detailed economic analysis with respect to the proposed or final rule, including projections of economic costs, sectoral effects, and effects on the availability of credit, the gross domestic product, and employment.*

(B) *MAJOR COVERED RULE DEFINED.—In this paragraph, the term “major covered rule” means a rule—*

(i) that the Board of Governors determines would have an effect, in the aggregate, on the economy of the United States of \$10,000,000,000 or more during the 10-year period beginning on the date the rule takes effect; and

(ii) that is intended to align or conform with a recommendation from a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision).

(13) *REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—With respect to interactions between the Board of Governors of the Federal Reserve System and a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision), the Board of Governors shall—*

(A) keep a complete record of all such interactions, including minutes of all meetings and any recommendations made during such interaction for international standardization with respect to open-market policies and operations, discount lending and operations (including collateral policies), or supervisory policies and operations; and

(B) issue an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

(i) all of the information recorded pursuant to subparagraph (A) with respect to the previous year; and

(ii) with respect to each non-governmental international organization with which the Board of Governors had an interaction in the previous year, a description of the funding sources of the non-governmental international organization.

* * * * *

REVISED STATUTES OF THE UNITED STATES

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TITLE VII. DEPARTMENT OF THE TREASURY.

* * * * *

CHAPTER NINE—THE COMPTROLLER OF THE CURRENCY.

* * * * *

SEC. 324. COMPTROLLER OF THE CURRENCY.

(a) OFFICE OF THE COMPTROLLER OF THE CURRENCY ESTABLISHED.—There is established in the Department of the Treasury a bureau to be known as the “Office of the Comptroller of the Currency” which is charged with assuring the safety and soundness of, and compliance with laws and regulations, fair access to financial services, and fair treatment of customers by, the institutions and other persons subject to its jurisdiction.

(b) COMPTROLLER OF THE CURRENCY.—

(1) IN GENERAL.—The chief officer of the Office of the Comptroller of the Currency shall be known as the Comptroller of the Currency. The Comptroller of the Currency shall perform the duties of the Comptroller of the Currency under the general direction of the Secretary of the Treasury. The Secretary of the Treasury may not delay or prevent the issuance of any rule or the promulgation of any regulation by the Comptroller of the Currency, and may not intervene in any matter or proceeding before the Comptroller of the Currency (including agency enforcement actions), unless otherwise specifically provided by law.

(2) ADDITIONAL AUTHORITY.—The Comptroller of the Currency shall have the same authority with respect to functions transferred to the Comptroller of the Currency under the Enhancing Financial Institution Safety and Soundness Act of 2010 as was vested in the Director of the Office of Thrift Supervision on the transfer date, as defined in section 311 of that Act.

(c) REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.—*The Comptroller of the Currency may not implement a non-binding recommendation made by the Chairperson of the Financial Stability Oversight Council or contained in an Executive Order unless the Comptroller of the Currency first provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with—*

(1) notice that the Comptroller of the Currency intends to implement such recommendation;

(2) a report containing the proposed implementation by the Comptroller of the Currency and a justification for such implementation; and

(3) upon request, not later than the end of the 120-day period beginning on the date of the notice under paragraph (1), testimony on such proposed implementation.

(d) *REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—*

(1) *IN GENERAL.—The Comptroller of the Currency may not propose or finalize a major covered rule unless, not later than 120 days before issuing such a proposed or final rule, the Comptroller of the Currency provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with notice, testimony, and a detailed economic analysis with respect to the proposed or final rule, including projections of economic costs, sectoral effects, and effects on the availability of credit, the gross domestic product, and employment.*

(2) *MAJOR COVERED RULE DEFINED.—In this subsection, the term “major covered rule” means a rule—*

(A) *that the Comptroller of the Currency determines would have an effect, in the aggregate, on the economy of the United States of \$10,000,000,000 or more during the 10-year period beginning on the date the rule takes effect; and*

(B) *that is intended to align or conform with a recommendation from a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision).*

(e) *REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—With respect to interactions between the Office of the Comptroller of the Currency and a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision), the Comptroller of the Currency shall—*

(1) *keep a complete record of all such interactions, including minutes of all meetings and any recommendations made during such interaction for international standardization with respect to discount lending and operations (including collateral policies) or supervisory policies and operations; and*

(2) *issue an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—*

(A) *all of the information recorded pursuant to paragraph (1) with respect to the previous year; and*

(B) *with respect to each non-governmental international organization with which the Office of the Comptroller of the Currency had an interaction in the previous year, a description of the funding sources of the non-governmental international organization.*

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FEDERAL DEPOSIT INSURANCE ACT

* * * * *

SEC. 2. MANAGEMENT.

(a) **BOARD OF DIRECTORS.—**

(1) **IN GENERAL.—**The management of the Corporation shall be vested in a Board of Directors consisting of 5 members—

(A) 1 of whom shall be the Comptroller of the Currency;

(B) 1 of whom shall be the Director of the Consumer Financial Protection Bureau; and

(C) 3 of whom shall be appointed by the President, by and with the advice and consent of the Senate, from among individuals who are citizens of the United States, 1 of whom shall have State bank supervisory experience.

(2) **POLITICAL AFFILIATION.—**After February 28, 1993, not more than 3 of the members of the Board of Directors may be members of the same political party.

(b) **CHAIRPERSON AND VICE CHAIRPERSON.—**

(1) **CHAIRPERSON.—**1 of the appointed members shall be designated by the President, by and with the advice and consent of the Senate, to serve as Chairperson of the Board of Directors for a term of 5 years.

(2) **VICE CHAIRPERSON.—**1 of the appointed members shall be designated by the President, by and with the advice and consent of the Senate, to serve as Vice Chairperson of the Board of Directors.

(3) **ACTING CHAIRPERSON.—**In the event of a vacancy in the position of Chairperson of the Board of Directors or during the absence or disability of the Chairperson, the Vice Chairperson shall act as Chairperson.

(c) **TERMS.—**

(1) **APPOINTED MEMBERS.—**Each appointed member shall be appointed for a term of 6 years.

(2) **INTERIM APPOINTMENTS.—**Any member appointed to fill a vacancy occurring before the expiration of the term for which such member's predecessor was appointed shall be appointed only for the remainder of such term.

(3) **CONTINUATION OF SERVICE.—**The Chairperson, Vice Chairperson, and each appointed member may continue to serve after the expiration of the term of office to which such member was appointed until a successor has been appointed and qualified.

(d) **VACANCY.—**

(1) **IN GENERAL.—**Any vacancy on the Board of Directors shall be filled in the manner in which the original appointment was made.

(2) **ACTING OFFICIALS MAY SERVE.—**In the event of a vacancy in the office of the Comptroller of the Currency or the office of Director of the Consumer Financial Protection Bureau and pending the appointment of a successor, or during the absence or disability of the Comptroller of the Currency or the Director of the Consumer Financial Protection Bureau, the acting Comptroller of the Currency or the acting Director of the Consumer Financial Protection Bureau, as the case may be, shall

be a member of the Board of Directors in the place of the Comptroller or Director.

(e) INELIGIBILITY FOR OTHER OFFICES.—

(1) POSTSERVICE RESTRICTION.—

(A) IN GENERAL.—No member of the Board of Directors may hold any office, position, or employment in any insured depository institution or any depository institution holding company during—

(i) the time such member is in office; and

(ii) the 2-year period beginning on the date such member ceases to serve on the Board of Directors.

(B) EXCEPTION FOR MEMBERS WHO SERVE FULL TERM.—

The limitation contained in subparagraph (A)(ii) shall not apply to any member who has ceased to serve on the Board of Directors after serving the full term for which such member was appointed.

(2) RESTRICTION DURING SERVICE.—No member of the Board of Directors may—

(A) be an officer or director of any insured depository institution, depository institution holding company, Federal Reserve bank, or Federal home loan bank; or

(B) hold stock in any insured depository institution or depository institution holding company.

(3) CERTIFICATION.—Upon taking office, each member of the Board of Directors shall certify under oath that such member has complied with this subsection and such certification shall be filed with the secretary of the Board of Directors.

(f) STATUS OF EMPLOYEES.—

(1) IN GENERAL.—A director, member, officer, or employee of the Corporation has no liability under the Securities Act of 1933 with respect to any claim arising out of or resulting from any act or omission by such person within the scope of such person's employment in connection with any transaction involving the disposition of assets (or any interests in any assets or any obligations backed by any assets) by the Corporation. This subsection shall not be construed to limit personal liability for criminal acts or omissions, willful or malicious misconduct, acts or omissions for private gain, or any other acts or omissions outside the scope of such person's employment.

(2) DEFINITION.—For purposes of this subsection, the term "employee of the Corporation" includes any employee of the Office of the Comptroller of the Currency or of the Consumer Financial Protection Bureau who serves as a deputy or assistant to a member of the Board of Directors of the Corporation in connection with activities of the Corporation.

(3) EFFECT ON OTHER LAW.—This subsection does not affect—

(A) any other immunities and protections that may be available to such person under applicable law with respect to such transactions, or

(B) any other right or remedy against the Corporation, against the United States under applicable law, or against any person other than a person described in paragraph (1) participating in such transactions.

This subsection shall not be construed to limit or alter in any way the immunities that are available under applicable law for

Federal officials and employees not described in this subsection.

(g) *REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.*—The Board of Directors of the Corporation may not implement a non-binding recommendation made by the Chairperson of the Financial Stability Oversight Council or contained in an Executive Order unless the Board of Directors first provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with—

(1) notice that the Board of Directors intends to implement such recommendation;

(2) a report containing the proposed implementation by the Board of Directors and a justification for such implementation; and

(3) upon request, not later than the end of the 120-day period beginning on the date of the notice under paragraph (1), testimony on such proposed implementation.

(h) *REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.*—

(1) *IN GENERAL.*—The Board of Directors of the Corporation may not propose or finalize a major covered rule unless, not later than 120 days before issuing such a proposed or final rule, the Board of Directors provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with notice, testimony, and a detailed economic analysis with respect to the proposed or final rule, including projections of economic costs, sectoral effects, and effects on the availability of credit, the gross domestic product, and employment.

(2) *MAJOR COVERED RULE DEFINED.*—In this subsection, the term “major covered rule” means a rule—

(A) that the Board of Directors determines would have an effect, in the aggregate, on the economy of the United States of \$10,000,000,000 or more during the 10-year period beginning on the date the rule takes effect; and

(B) that is intended to align or conform with a recommendation from a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision).

(i) *REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.*—With respect to interactions between the Federal Deposit Insurance Corporation and a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision), the Board of Directors of the Corporation shall—

(1) keep a complete record of all such interactions, including minutes of all meetings and any recommendations made during such interaction for international standardization with respect

to discount lending and operations (including collateral policies) or supervisory policies and operations; and

(2) issue an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

(A) all of the information recorded pursuant to paragraph (1) with respect to the previous year; and

(B) with respect to each non-governmental international organization with which the Corporation had an interaction in the previous year, a description of the funding sources of the non-governmental international organization.

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FEDERAL CREDIT UNION ACT

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TITLE I—FEDERAL CREDIT UNIONS

* * * * *

CREATION OF ADMINISTRATION

SEC. 102. (a) There is hereby established in the executive branch of the Government an independent agency to be known as the National Credit Union Administration. The Administration shall be under the management of a National Credit Union Administration Board.

(b) MEMBERSHIP AND APPOINTMENT OF BOARD.—

(1) IN GENERAL.—The Board shall consist of three members, who are broadly representative of the public interest, appointed by the President, by and with the advice and consent of the Senate. In appointing the members of the Board, the President shall designate the Chairman. Not more than two members of the Board shall be members of the same political party.

(2) APPOINTMENT CRITERIA.—

(A) EXPERIENCE IN FINANCIAL SERVICES.—In considering appointments to the Board under paragraph (1), the President shall give consideration to individuals who, by virtue of their education, training, or experience relating to a broad range of financial services, financial services regulation, or financial policy, are especially qualified to serve on the Board.

(B) LIMIT ON APPOINTMENT OF CREDIT UNION OFFICERS.—Not more than one member of the Board may be appointed to the Board from among individuals who, at the time of the appointment, are, or have recently been, involved with any insured credit union as a committee member, director, officer, employee, or other institution-affiliated party.

(c) The term of office of each member of the Board shall be six years, except that the terms of the two members, other than the Chairman, initially appointed shall expire one upon the expiration of two years after the date of appointment, and the other upon the

expiration of four years after the date of appointment. Board members shall not be appointed to succeed themselves except the initial members appointed for less than a six-year term may be reappointed for a full six-year term and future members appointed to fill unexpired terms may be reappointed for a full six-year term. Any Board member may continue to serve as such after the expiration of said member's term until a successor has qualified.

(d) The management of the Administration shall be vested in the Board. The Board shall adopt such rules as it sees fit for the transaction of its business and shall keep permanent and complete records and minutes of its acts and proceedings. A majority of the Board shall constitute a quorum. Not later than April 1 of each calendar year, and at such other times as the Congress shall determine, the Board shall make a report to the President and to the Congress. Such a report shall summarize the operations of the Administration and set forth such information as is necessary for the Congress to review the financial program approved by the Board.

(e) The Chairman of the Board shall be the spokesman for the Board and shall represent the Board and the National Credit Union Administration in its official relations with other branches of the Government. The Chairman shall determine each Board member's area of responsibility and shall review such assignments biennially. It shall be the Chairman's responsibility to direct the implementation of the adopted policies and regulations of the Board.

(f) The financial transactions of the Administration shall be subject to audit by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts of the Administration are kept.

(g) *REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.—The Board may not implement a non-binding recommendation made by the Chairperson of the Financial Stability Oversight Council or contained in an Executive Order unless the Board first provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with—*

(1) notice that the Board intends to implement such recommendation;

(2) a report containing the proposed implementation by the Board and a justification for such implementation; and

(3) upon request, not later than the end of the 120-day period beginning on the date of the notice under paragraph (1), testimony on such proposed implementation.

(h) *REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—*

(1) IN GENERAL.—The Board may not propose or finalize a major covered rule unless, not later than 120 days before issuing such a proposed or final rule, the Board provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Af-

fairs of the Senate with notice, testimony, and a detailed economic analysis with respect to the proposed or final rule, including projections of economic costs, sectoral effects, and effects on the availability of credit, the gross domestic product, and employment.

(2) MAJOR COVERED RULE DEFINED.—In this subsection, the term “major covered rule” means a rule—

(A) that the Board determines would have an effect, in the aggregate, on the economy of the United States of \$10,000,000,000 or more during the 10-year period beginning on the date the rule takes effect; and

(B) that is intended to align or conform with a recommendation from a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision).

(i) REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—With respect to interactions between the Administration and a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision), the Board shall—

(1) keep a complete record of all such interactions, including minutes of all meetings and any recommendations made during such interaction for international standardization with respect to discount lending and operations (including collateral policies) or supervisory policies and operations; and

(2) issue an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

(A) all of the information recorded pursuant to paragraph (1) with respect to the previous year; and

(B) with respect to each non-governmental international organization with which the Administration had an interaction in the previous year, a description of the funding sources of the non-governmental international organization.

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HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992

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TITLE XIII—GOVERNMENT SPONSORED ENTERPRISES

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Subtitle A—Supervision and Regulation of Enterprises

PART 1—FINANCIAL SAFETY AND SOUNDNESS REGULATOR

SEC. 1311. ESTABLISHMENT OF THE FEDERAL HOUSING FINANCE AGENCY.

(a) **ESTABLISHMENT.**—There is established the Federal Housing Finance Agency, which shall be an independent agency of the Federal Government.

(b) **GENERAL SUPERVISORY AND REGULATORY AUTHORITY.**—

(1) **IN GENERAL.**—Each regulated entity shall, to the extent provided in this title, be subject to the supervision and regulation of the Agency.

(2) **AUTHORITY OVER FANNIE MAE, FREDDIE MAC, THE FEDERAL HOME LOAN BANKS, AND THE OFFICE OF FINANCE.**—The Director shall have general regulatory authority over each regulated entity and the Office of Finance, and shall exercise such general regulatory authority, including such duties and authorities set forth under section 1313, to ensure that the purposes of this Act, the authorizing statutes, and any other applicable law are carried out.

(c) **SAVINGS PROVISION.**—The authority of the Director to take actions under subtitles B and C shall not in any way limit the general supervisory and regulatory authority granted to the Director under subsection (b).

(d) **REPORT ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM THE FSOC CHAIRPERSON AND EXECUTIVE ORDERS.**—*The Director may not implement a non-binding recommendation made by the Chairperson of the Financial Stability Oversight Council or contained in an Executive Order unless the Director first provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with—*

(1) notice that the Director intends to implement such recommendation;

(2) a report containing the proposed implementation by the Director and a justification for such implementation; and

(3) upon request, not later than the end of the 120-day period beginning on the date of the notice under paragraph (1), testimony on such proposed implementation.

(e) **REQUIREMENTS IN CONNECTION WITH RULEMAKINGS IMPLEMENTING POLICIES OF NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.**—

(1) IN GENERAL.—*The Director may not propose or finalize a major covered rule unless, not later than 120 days before issuing such a proposed or final rule, the Director provides the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate with notice, testimony, and a detailed economic analysis with respect to the proposed or final rule, including projections of economic costs, sectoral effects, and effects*

on the availability of credit, the gross domestic product, and employment.

(2) MAJOR COVERED RULE DEFINED.—In this subsection, the term “major covered rule” means a rule—

(A) that the Director determines would have an effect, in the aggregate, on the economy of the United States of \$10,000,000,000 or more during the 10-year period beginning on the date the rule takes effect; and

(B) that is intended to align or conform with a recommendation from a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision).

(f) REPORTING ON INTERACTIONS WITH NON-GOVERNMENTAL INTERNATIONAL ORGANIZATIONS.—With respect to interactions between the Federal Housing Finance Agency and a non-governmental international organization (including the Financial Stability Board, the Bank for International Settlements, the Network of Central Banks and Supervisors for Greening the Financial System, and the Basel Committee on Banking Supervision), the Director shall—

(1) keep a complete record of all such interactions, including minutes of all meetings and any recommendations made during such interaction for international standardization with respect to discount lending and operations (including collateral policies) or supervisory policies and operations; and

(2) issue an annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

(A) all of the information recorded pursuant to paragraph (1) with respect to the previous year; and

(B) with respect to each non-governmental international organization with which the Federal Housing Finance Agency had an interaction in the previous year, a description of the funding sources of the non-governmental international organization.

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MINORITY VIEWS

H.R. 4823 is entitled “the American FIRST Act,” but it should really be called “the American LAST Act.” Instead of supporting American leadership on critical issues affecting the global financial system, this bill would undermine the ability of U.S. regulators to take commonsense steps to address the financial risks posed by climate change, or take steps to promote equity, diversity, and inclusion in our housing and financial system.

Specifically, whenever our financial regulators would consider issuing a regulation that was recommended by the Financial Stability Oversight Council (FSOC), an international coordinating body, or an Executive Order from the President, this bill would require our regulators to jump through several hoops before they could act, including submitting needless and burdensome reports. It would also add yet another statutory requirement for regulators to testify before this Committee as if we don’t have enough of those. We are strong supporters of Congressional oversight, but our oversight should not impede our regulators from carrying out the important work Congress charged them to do, including promoting safety and soundness of our banking system and addressing threats to financial stability.

Republicans are advancing this bill a few months after the U.S. experienced the 2nd, 3rd, and 4th largest bank failures in our history. The House Financial Services Committee held hearings where Members on both sides of the aisle criticized a range of players, including bank management and bank supervisors for the mistakes they made. At this critical juncture, in which the importance of the role of the Fed Vice Chair of Supervision has never been clearer, this bill would eliminate the role entirely. This bill will reduce the priority bank supervision and regulation is given by the Fed were it to become law.

We would also note that Democratic members offered two amendments to this bill, which were rejected by Republicans:

1. Rep. Beatty’s amendment would add an exception to the requirements under Titles I and II that would allow the Fed, FDIC, OCC, NCUA, and FHFA to issue rules that promote diversity, equity, and inclusion with respect to their regulated entities, including to combat discriminatory products and practices, modern-day redlining, and other barriers to equal access to affordable products and services provided or otherwise supported by their regulated entities, as well as to implement, carry out, or enforce affordable housing goals and Duty to Serve requirements.

2. Rep. Garcia’s amendment would delay the effectiveness of the bill until after the Fed, FDIC, OCC, NCUA, and FHFA certify that climate change poses no financial risks to the safety

and soundness of their regulated entities or the U.S. financial system.

Instead of working with Democrats on commonsense legislation that would address problems exposed by recent bank failures or ensure financial regulators can act to promote financial stability, this bill appears to simply be another part of the Republican attack on “woke” policies and regulatory authority, including work to promote diversity and inclusion and to ensure our financial institutions do not ignore the very real financial risks posed by climate change.

For these reasons, we oppose H.R. 4823.

Sincerely,

MAXINE WATERS,
Ranking Member.
NYDIA M. VELÁZQUEZ,
GREGORY W. MEEKS,
AL GREEN,
BILL FOSTER,
JUAN VARGAS,
BRAD SHERMAN,
STEPHEN F. LYNCH,
EMANUEL CLEAVER II,
JOYCE BEATTY,
VICENTE GONZALEZ,
SEAN CASTEN,
RASHIDA TLAIB,
NIKEMA WILLIAMS,
AYANNA PRESSLEY,
SYLVIA R. GARCIA,
BRITTANY PETERSEN,
Members of Congress.

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