# AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1309

## OFFERED BY MRS. CAROLYN B. MALONEY OF NEW YORK

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Systemic Risk Regulatory Tailoring Act of 2015".

**SEC. 2. APPLICATION OF QUANTITATIVE RISK-BASED APPROACH TO BANK HOLDING COMPANIES WITH TOTAL CONSOLIDATED ASSETS EQUAL TO OR GREATER THAN $50,000,000,000.**

Section 165(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5365(a)) is amended—

(a) in paragraph (1)—

(1) in subparagraph (A), by striking "United States; and" and inserting "United States;";

(2) in subparagraph (B)—

(A) by inserting "with respect to nonbank financial companies supervised by the Board of Governors," before "increase"; and

(B) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(C) with respect to bank holding companies—

"(i) are designed to mitigate the risks to the financial stability of the United States posed by the specific group or groups of bank holding companies established under paragraph (2)(B)(ii); and

"(ii) increase in stringency, based on the relative risk-based measurement of each group or groups of bank holding companies established under paragraph (2)(B)(ii), and on the considerations identified in subsection (b)(3).";

(b) by redesignating paragraph (2) as paragraph (3);

(c) by inserting after paragraph (1) the following:

"(2) DIFFERENTIATED BUCKETS FOR BANK HOLDING COMPANIES.—

"(A) DEVELOPMENT OF INDICATOR-BASED MEASUREMENT APPROACH.—The Board of Governors, in consultation with the Federal banking agencies, shall develop a quantitative approach to determine the relative risk-based measurement of bank holding companies with total consolidated assets equal to or greater than $50,000,000,000, which shall include—

"(i) the size of the bank holding company, including off balance sheet and derivatives exposures;

"(ii) the riskiness of the bank holding company's financial activities, including the impact that such financial activities have on other banking entities and financial institutions;

"(iii) the extent of readily available substitutes or financial institution infrastructure for the financial activities of the bank holding company (including the financial activities of the company's subsidiaries);

"(iv) the complexity of the bank holding company; and

"(v) any other risk-related factors that the Board of Governors determines appropriate.

"(B) SORTING BASED ON QUANTITATIVE RISK-BASED APPROACH.—The Board of Governors shall—

"(i) use the risk-based measurement approach established under subparagraph (A) to determine, not less frequently than annually, the relative risk-based measurement of the bank holding companies described in paragraph (1); and

"(ii) separate the bank holding companies described in paragraph (1) into one or more groups, as appropriate, based on the determinations made pursuant to clause (i)."; and

(d) in paragraph (3), as so redesignated—

(1) in subparagraph (A)—

(A) in the heading for such subparagraph, by striking "IN GENERAL" and inserting "TAILORED APPLICATION FOR NONBANK FINANCIAL COMPANIES"; and

(B) by striking "companies" and inserting "nonbank financial companies supervised by the Board of Governors";

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following:

"(B) TAILORED APPLICATION FOR BANK HOLDING COMPANIES.—In prescribing more stringent prudential standards under this section, the Board of Governors shall differentiate among groups of bank holding companies established under paragraph (2)(B)(ii), taking into consideration the particular risk characteristics of each group of bank holding companies, and the impact that material financial distress at one or more bank holding companies within a group could have on the financial stability of the United States.".

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