

115TH CONGRESS
1ST SESSION

H. R. 2121

To require the appropriate Federal banking agencies to revise regulations to specify that certain funds shall not be taken into account when calculating any supplementary leverage ratio for custodial banks, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2017

Mr. ROTHFUS (for himself, Mr. FOSTER, and Mr. HULTGREN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To require the appropriate Federal banking agencies to revise regulations to specify that certain funds shall not be taken into account when calculating any supplementary leverage ratio for custodial banks, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Pension, Endowment,
5 and Mutual Fund Access to Banking Act”.

1 **SEC. 2. TREATMENT OF FUNDS DEPOSITED WITH A CEN-**
2 **TRAL BANK IN CALCULATING THE APPLICA-**
3 **BLE SUPPLEMENTARY LEVERAGE RATIO.**

4 (a) **IN GENERAL.**—The appropriate Federal banking
5 agencies shall amend the relevant sections of title 12, Code
6 of Federal Regulations, to specify that funds of a custodial
7 bank that are deposited with a central bank shall not be
8 taken into account when calculating the applicable supple-
9 mentary leverage ratio for the custodial bank under such
10 regulations.

11 (b) **LIMITATION.**—The amount of funds described
12 under subsection (a) may not exceed the total value of de-
13 posits of the custodial bank linked to fiduciary or custodial
14 and safekeeping accounts.

15 (c) **ADDITIONAL CONSIDERATIONS.**—The amount of
16 funds described under subsection (a) may be limited to—

17 (1) an amount that is greater than a percent-
18 age specified by the appropriate Federal banking
19 agency of the total leverage exposure of the custodial
20 bank, based on considerations such as the potential
21 impact on the safety and soundness of the custodial
22 bank and the ability of the custodial bank to con-
23 tinue to accept cash deposits from customers that
24 are linked to fiduciary or custodial and safekeeping
25 accounts; and

1 (2) amounts deposited with certain central
2 banks, as determined through rulemaking by the ap-
3 propriate Federal banking agencies.

4 (d) DEFINITIONS.—For purposes of this section:

5 (1) APPROPRIATE FEDERAL BANKING AGEN-
6 CY.—The term “appropriate Federal banking agen-
7 cy” has the meaning given that term under section
8 3 of the Federal Deposit Insurance Act (12 U.S.C.
9 1813).

10 (2) CUSTODIAL BANK.—

11 (A) IN GENERAL.—The term “custodial
12 bank” means a depository institution and the
13 depository institution holding company of such
14 depository institution, both of which are pri-
15 marily engaged in custodial banking.

16 (B) CUSTODIAL BANKING DEFINED.—For
17 purposes of this paragraph, the appropriate
18 Federal banking agencies may define the term
19 “custodial banking” based on factors including
20 the percentage of total revenues generated by
21 custodial businesses and the level of assets
22 under custody.

23 (3) DEPOSITORY INSTITUTION.—The term “de-
24 pository institution” has the meaning given that

1 term under section 3 of the Federal Deposit Insur-
2 ance Act (12 U.S.C. 1813).

3 (4) DEPOSITORY INSTITUTION HOLDING COM-
4 PANY.—The term “depository institution holding
5 company” has the meaning given that term under
6 section 3 of the Federal Deposit Insurance Act (12
7 U.S.C. 1813).

8 (5) SUPPLEMENTARY LEVERAGE RATIO.—The
9 term “supplementary leverage ratio” means the sup-
10 plementary leverage ratio, including applicable buff-
11 ers, surcharges, and well-capitalized requirements
12 relating to such supplementary leverage ratio, as de-
13 fined by regulation of the appropriate Federal bank-
14 ing agency in title 12, Code of Federal Regulations.

○