

# Union Calendar No. 504

115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 2121

[Report No. 115–656]

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.

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## 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

APRIL 26, 2018

Additional sponsors: Mr. LOUDERMILK, Mr. CAPUANO, Mr. MEEKS, Mr. BARR, Ms. SINEMA, Ms. VELÁZQUEZ, Mr. GOTTHEIMER, Mr. LYNCH, Mr. ZELDIN, Mr. LUETKEMEYER, Mr. ROSS, Ms. MOORE, Mr. HIMES, Mr. HILL, Mr. HUIZENGA, Mr. ROYCE of California, Mr. TIPTON, Mr. BUDD, Mr. PITTENGER, Mr. EMMER, Mr. STIVERS, Mr. MCGOVERN, Mr. DONOVAN, Ms. CLARK of Massachusetts, Mr. MACARTHUR, Mrs. CAROLYN B. MALONEY of New York, Mr. MOONEY of West Virginia, Mr. POLIQUIN, Mr. BANKS of Indiana, Ms. TENNEY, Mr. POSEY, Mr. BYRNE, Mr. MESSER, Mr. MOULTON, Mr. LOEBSACK, and Mrs. WAGNER

APRIL 26, 2018

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on April 25, 2017]

# **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”.*

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

9        *(a) IN GENERAL.—The funds of a custody bank that*  
10 *are deposited with a central bank shall not be taken into*  
11 *account when calculating the applicable supplementary le-*  
12 *verage ratio for the custody bank.*

13        *(b) LIMITATIONS.—*

14                *(1) AMOUNTS.—The amount of funds described*  
15 *under subsection (a) shall be limited to—*

16                    *(A) the total value of deposits of the custody*  
17 *bank linked to fiduciary or custodial and safe-*  
18 *keeping accounts; or*

19                    *(B) an amount that is greater than a per-*  
20 *centage specified by the appropriate Federal*  
21 *banking agency of the total leverage exposure of*  
22 *the custody bank, based on considerations such*  
23 *as the potential impact on the safety and sound-*  
24 *ness of the custody bank and the ability of the*  
25 *custody bank to continue to accept cash deposits*

1           *from customers that are linked to fiduciary or*  
2           *custodial and safekeeping accounts.*

3           (2) *HIGH-QUALITY CENTRAL BANK REQUIRE-*  
4           *MENTS.—Subsection (a) only applies to central banks*  
5           *that are high-quality central banks, including—*

6                     (A) *the Federal Reserve System;*

7                     (B) *the European Central Bank; and*

8                     (C) *central banks of member countries of the*  
9           *Organisation for Economic Co-operation and*  
10           *Development, if—*

11                         (i) *the central bank of such member*  
12                         *country has been assigned a zero percent*  
13                         *risk weight under the final rules titled*  
14                         *“Regulatory Capital Rules: Regulatory*  
15                         *Capital, Implementation of Basel III, Cap-*  
16                         *ital Adequacy, Transition Provisions,*  
17                         *Prompt Corrective Action, Standardized*  
18                         *Approach for Risk-weighted Assets, Market*  
19                         *Discipline and Disclosure Requirements,*  
20                         *Advanced Approaches Risk-Based Capital*  
21                         *Rule, and Market Risk Capital Rule” (78*  
22                         *Fed. Reg. 62018; published Oct. 11, 2013,*  
23                         *and 79 Fed. Reg. 20754; published April*  
24                         *14, 2014); and*

1                   (ii) the sovereign debt of such member  
2                   country is not in default or has not been in  
3                   default during the previous five years.

4           (c) REGULATIONS.—Not later than 60 days after the  
5           date of the enactment of this Act, the appropriate Federal  
6           banking agencies shall revise applicable regulations to carry  
7           out this Act.

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

9                   (1) APPROPRIATE FEDERAL BANKING AGENCY.—  
10           The term “appropriate Federal banking agency” has  
11           the meaning given that term under section 3 of the  
12           Federal Deposit Insurance Act (12 U.S.C. 1813).

13                   (2) CUSTODY BANK.—The term “custody bank”  
14           means a depository institution holding company pre-  
15           dominantly engaged in custody, safekeeping, and  
16           asset servicing activities, including any insured de-  
17           pository institution subsidiary of such a holding com-  
18           pany.

19                   (3) DEPOSITORY INSTITUTION HOLDING COM-  
20           PANY.—The term “depository institution holding com-  
21           pany” has the meaning given that term under section  
22           3 of the Federal Deposit Insurance Act (12 U.S.C.  
23           1813).

24                   (4) INSURED DEPOSITORY INSTITUTION.—The  
25           term “insured depository institution” has the mean-

1        *ing given that term under section 3 of the Federal De-*  
2        *posit Insurance Act (12 U.S.C. 1813).*

3            (5) *SUPPLEMENTARY LEVERAGE RATIO.—The*  
4        *term “supplementary leverage ratio” means the sup-*  
5        *plementary leverage ratio, including applicable buff-*  
6        *ers, surcharges, and well-capitalized requirements re-*  
7        *lating to such supplementary leverage ratio, as de-*  
8        *finied by regulation of the appropriate Federal bank-*  
9        *ing agency in title 12, Code of Federal Regulations,*  
10       *as in effect on October 1, 2017.*

Amend the title so as to read: “A bill to ensure that certain funds shall not be taken into account when calculating any supplementary leverage ratio for custody banks, and for other purposes.”.



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