

114TH CONGRESS  
2D SESSION

# S. 3500

To require the appropriate Federal banking agencies to treat certain non-significant investments in the capital of unconsolidated financial institutions as qualifying capital instruments, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

DECEMBER 5, 2016

Mr. WICKER (for himself and Mr. COCHRAN) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To require the appropriate Federal banking agencies to treat certain non-significant investments in the capital of unconsolidated financial institutions as qualifying capital instruments, 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. TREATMENT OF CERTAIN NON-SIGNIFICANT IN-**  
4 **VESTMENTS IN THE CAPITAL OF UNCONSOLI-**  
5 **DATED FINANCIAL INSTITUTIONS.**

6 (a) IN GENERAL.—Section 18 of the Federal Deposit  
7 Insurance Act (12 U.S.C. 1828) is amended—

1           (1) by moving subsection (z) so that it appears  
2           after subsection (y); and

3           (2) by adding at the end the following:

4           “(aa) TREATMENT OF NON-SIGNIFICANT INVEST-  
5 MENTS IN THE CAPITAL OF UNCONSOLIDATED FINAN-  
6 CIAL INSTITUTIONS.—For purposes of the final rules ti-  
7 tled ‘Regulatory Capital Rules: Regulatory Capital, Imple-  
8 mentation of Basel III, Capital Adequacy, Transition Pro-  
9 visions, Prompt Corrective Action, Standardized Approach  
10 for Risk-Weighted Assets, Market Discipline and Disclo-  
11 sure Requirements, Advanced Approaches Risk-Based  
12 Capital Rule, and Market Risk Capital Rule’ (78 Fed.  
13 Reg. 62018; published Oct. 11, 2013 and 79 Fed. Reg.  
14 20754; published April 14, 2014) (the ‘Final Rules’) and  
15 any other regulation which incorporates a definition of the  
16 term ‘non-significant investments in the capital of uncon-  
17 solidated financial institutions’, the appropriate Federal  
18 banking agencies shall provide that a bank’s or a savings  
19 association’s investments in Trust Preferred Securities  
20 (pooled and individual instruments) shall not be subject  
21 to deduction from such institution’s regulatory capital,  
22 provided such instruments were held as investments prior  
23 to July 21, 2010.”.

24           (b) AMENDMENT TO BASEL III CAPITAL REGULA-  
25 TIONS.—Not later than the end of the 3-month period be-

1 ginning on the date of the enactment of this Act, the Fed-  
2 eral Deposit Insurance Corporation, the Board of Gov-  
3 ernors of the Federal Reserve System, and the Comp-  
4 troller of the Currency shall amend the final rules titled  
5 “Regulatory Capital Rules: Regulatory Capital, Implemen-  
6 tation of Basel III, Capital Adequacy, Transition Provi-  
7 sions, Prompt Corrective Action, Standardized Approach  
8 for Risk-Weighted Assets, Market Discipline and Disclo-  
9 sure Requirements, Advanced Approaches Risk-Based  
10 Capital Rule, and Market Risk Capital Rule” (78 Fed.  
11 Reg. 62018; published Oct. 11, 2013 and 79 Fed. Reg.  
12 20754; published April 14, 2014) to implement the  
13 amendments made by this Act.

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