

Comparing the base document H.R.1116, as reported, with H.R.1116, as reported, as amended by
H.Res.773

This document was computer-generated in an effort to show how two versions of the same legislative text differ **and may not have been reviewed for accuracy**. This document may comply with clause 12(b) of rule XXI of the Rules of the House. This document does not represent an official expression by the House and should not be relied on as an authoritative delineation of the proposed change(s) to existing law.

Omitted text is shown ~~stricken~~, new matter that is proposed is in underlined italics, and existing text in which no change is being proposed is shown in regular roman. Typesetting and stylistic characteristics, particularly in the headings and indentations, may not conform to how the text, if adopted, would be illustrated in subsequent versions of legislation or public law.

Section 1. Short title

This Act may be cited as the "Taking Account of Institutions with Low Operation Risk Act of 2017" or the "TAILOR Act of 2017".

Sec. 2. Regulations appropriate to business models

(a) IN GENERAL.— For any regulatory action occurring after the date of the enactment of this Act, each Federal financial institutions regulatory agency shall—

- (1) take into consideration the risk profile and business models of each type of institution or class of institutions subject to the regulatory action;
- (2) determine the necessity, appropriateness, and impact of applying such regulatory action to such institutions or classes of institutions; and
- (3) tailor such regulatory action in a manner that limits the regulatory compliance impact, cost, liability risk, and other burdens, as appropriate, for the risk profile and business model of the institution or class of institutions involved.

(b) OTHER CONSIDERATIONS.— In carrying out the requirements of subsection (a), each Federal financial institutions regulatory agency shall consider—

- (1) the impact that such regulatory action, both by itself and in conjunction with the aggregate effect of other regulations, has on the ability of the applicable institution or class of institutions to serve evolving and diverse customer needs;
- (2) the potential impact of examination manuals, regulatory actions taken with respect to third-party service providers, or other regulatory directives that may be in conflict or inconsistent with the tailoring of such regulatory action described in subsection (a)(3); and
- (3) the underlying policy objectives of the regulatory action and statutory scheme involved.

(c) NOTICE OF PROPOSED AND FINAL RULEMAKING.— Each Federal financial institutions regulatory agency shall disclose in every notice of proposed rulemaking and in any final rulemaking for a regulatory action how the agency has applied subsections (a) and (b).

(d) REPORTS TO CONGRESS.—

(1) INDIVIDUAL AGENCY REPORTS.—

(A) IN GENERAL.— Not later than 1 year after the date of the enactment of this Act and annually thereafter, each Federal financial institutions regulatory agency shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the specific actions taken to tailor the regulatory actions of the agency pursuant to the requirements of this Act.

(B) APPEARANCE BEFORE THE COMMITTEES.— The head of each Federal financial institution regulatory agency shall appear before the Committee on Financial Services of the House of

Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate after each report is made pursuant to subparagraph (A) to testify on the contents of such report.

(2) FIEC REPORTS.—

(A) IN GENERAL.— Not later than 3 months after each report is submitted under paragraph (1), the Financial Institutions Examination Council shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on—

- (i) the extent to which regulatory actions tailored pursuant to this Act result in different treatment of similarly situated institutions of diverse charter types; and
- (ii) the reasons for such differential treatment.

(B) APPEARANCE BEFORE THE COMMITTEES.— The Chairman of the Financial Institutions Examination Council shall appear before the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate after each report is made pursuant to subparagraph (A) to testify on the contents of such report.

(e) LIMITED LOOK-BACK APPLICATION.—

(1) IN GENERAL.— Each Federal financial institutions regulatory agency shall conduct a review of all regulations adopted during the period beginning on the date that is seven years before the date of the introduction of this Act in the House of Representatives and ending on the date of the enactment of this Act, and apply the requirements of this Act to such regulations.

(2) REVISION.— If the application of the requirements of this Act to any such regulation requires such regulation to be revised, the applicable Federal financial institutions regulatory agency shall revise such regulation within 3 years of the enactment of this Act.

(f) DEFINITIONS.— In this Act, the following definitions shall apply:

(1) FEDERAL FINANCIAL INSTITUTIONS REGULATORY AGENCIES.— The term "Federal financial institutions regulatory agencies" means the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Bureau of Consumer Financial Protection.

(2) REGULATORY ACTION.— The term "regulatory action" means any proposed, interim, or final rule or regulation, guidance, or published interpretation.

Sec. 3. Reduction of surplus funds of Federal reserve banks

(a) IN GENERAL.— Section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is amended by striking "\$7,500,000,000" and inserting "\$7,385,714,000".

(b) EFFECTIVE DATE.— Subsection (a) shall take effect on June 1, 2018.

