

113TH CONGRESS  
1ST SESSION

# H. R. 2547

To determine appropriate risk based capital requirements for community,  
mid-size, and regional institutions.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 27, 2013

Mrs. CAPITO (for herself and Mr. MEEKS) introduced the following bill; which  
was referred to the Committee on Financial Services

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## A BILL

To determine appropriate risk based capital requirements  
for community, mid-size, and regional institutions.

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 “Determination of Ap-  
5 propriate Risk-Based Capital Requirements for Commu-  
6 nity Financial Institutions Act of 2013”.

7 **SEC. 2. FINAL RULES PENDING IMPACT STUDY.**

8 (a) IN GENERAL.—The Board of Governors of the  
9 Federal Reserve System, the Federal Deposit Insurance  
10 Corporation, and the Office of the Comptroller of the Cur-

1 rency (in this Act collectively referred to as the “Federal  
2 banking agencies”) shall conduct an empirical study in ac-  
3 cordance with subsection (b) prior to issuing any final rule  
4 in relation to all proposed regulatory capital rules issued  
5 by the Federal banking agencies for the international  
6 Basel III agreement (“Basel III Rules”).

7 (b) ISSUES TO BE STUDIED.—The study required by  
8 this section shall include—

9 (1) the potential impact of the Basel III Rules  
10 on the financial services sector of the United States,  
11 and specifically community, mid-size, and regional fi-  
12 nancial institutions, including changes to required  
13 capital levels in the aggregate, per asset class and  
14 institution size;

15 (2) the long-term potential impact of the Basel  
16 III Rules, including changes to the current risk-  
17 weight framework;

18 (3) the cost and complexity of the Basel III  
19 Rules for community financial institutions;

20 (4) the potential indicators of community banks  
21 having to maintain higher leverage capital ratios and  
22 higher total risk-based capital ratios than non-com-  
23 munity banks, and if such capital levels are commen-  
24 surate with higher historical losses or greater risk;

1           (5) the historical probability of default and loss  
2           given default of residential mortgage loans and the  
3           proposed risk weightings in the Basel III Rules, and  
4           whether such proposed risk weightings are appro-  
5           priately and fairly calibrated, specifically for commu-  
6           nity, mid-size, and regional financial institutions;  
7           and

8           (6) the impact of the Basel III Rules on real  
9           estate markets, and specifically, residential mortgage  
10          lending and home equity lines of credit.

11          (c) EXCEPTION FOR GLOBAL SYSTEMICALLY IMPOR-  
12          TANT BANKS.—The delay in rulemaking required under  
13          subsection (a) shall not apply to rules applicable to global  
14          systemically important banks, as identified by the Finan-  
15          cial Stability Board.

16          **SEC. 3. VOLUNTARY PARTICIPATION.**

17          Any financial institution may voluntarily provide in-  
18          formation for the study upon the request of the agencies,  
19          but may not be required to provide such information.

20          **SEC. 4. FINAL REPORT.**

21          (a) AVAILABILITY TO THE PUBLIC.—A final report  
22          on the completed study required by this Act shall be made  
23          available to the public for notice and comment for a period  
24          of not less than 90 days.

1 (b) REPORT TO CONGRESS.—The Federal banking  
2 agencies shall issue a report to the Committee on Banking,  
3 Housing, and Urban Affairs of the Senate and the Com-  
4 mittee on Financial Services of the House of Representa-  
5 tives, and testify before such committees, on the results  
6 of the study required by this Act and a summary of the  
7 comments received under subsection (a).

8 (c) REVIEW.—The Federal banking agencies shall re-  
9 view any comments submitted under subsections (a) and  
10 (b) and considerations provided pursuant to subsections  
11 (a) and (b), and following such review, shall prescribe new  
12 rules, if appropriate, based on the results of the study and  
13 such comments and considerations. Notwithstanding any  
14 other provision of law, a new rulemaking following such  
15 comment period shall include an additional comment pe-  
16 riod of not less than 90 days.

17 **SEC. 5. DELAY OF RULEMAKING.**

18 A regulation issued by the Federal banking agencies  
19 to implement the International Basel III agreement on  
20 general risk-based capital requirements may not take ef-  
21 fect until after the end of the 1-year period beginning on  
22 the date of the enactment of this Act.

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