

118TH CONGRESS  
2D SESSION

# H. R. 8153

To amend the Wall Street Transparency and Accountability Act of 2010 to provide covered banking institutions with certain exemptions related to interest rate swaps, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2024

Mr. MOONEY (for himself, Mr. DONALDS, and Mr. OGLES) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Wall Street Transparency and Accountability Act of 2010 to provide covered banking institutions with certain exemptions related to interest rate swaps, 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 “Bank Risk Reduction  
5 Act of 2024”.

1 **SEC. 2. EXEMPTIONS FOR CERTAIN INTEREST RATE SWAPS**  
2 **OF COVERED BANKING INSTITUTIONS.**

3 (a) IN GENERAL.—The Wall Street Transparency  
4 and Accountability Act of 2010 (12 U.S.C. 8301 et seq.)  
5 is amended by inserting after section 754 the following:

6 **“SEC. 755. EXEMPTIONS FOR CERTAIN INTEREST RATE**  
7 **SWAPS OF COVERED BANKING INSTITUTIONS.**

8 “(a) IN GENERAL.—A covered banking institution—

9 “(1) shall be exempt from any clearing or mar-  
10 gin requirements applicable to an interest rate swap  
11 that hedges interest rate risk of debt securities or  
12 loans held on the balance sheet of the covered bank-  
13 ing institution, including any requirements under  
14 sections 2(h) or 4s(e) of Commodity Exchange Act  
15 and the regulations promulgated thereunder;

16 “(2) may use hedge accounting with respect to  
17 debt securities or loans held on the balance sheet of  
18 the covered banking institution;

19 “(3) is not subject to any requirement, includ-  
20 ing the Financial Accounting Standards Board’s Ac-  
21 counting Standard Codification paragraph 815–20–  
22 25–43(c)(2), that restricts a covered banking institu-  
23 tion from an option to designate a fair value hedge  
24 on the risks of changes in the fair value attributable  
25 to the interest rate risk of a held-to-maturity debt  
26 security; and

1           “(4) is not subject to any requirement, includ-  
2           ing the Financial Accounting Standards Board’s Ac-  
3           counting Standard Codification paragraph 815–20–  
4           25–43(d)(2), that restricts a covered banking insti-  
5           tution from an option to designate a cash flow hedge  
6           to the risks of changes in the cash flows attributable  
7           to interest rate risk that result from variable cash  
8           flows of a held-to-maturity debt security.

9           “(b) DEFINITIONS.—In this section:

10           “(1) COVERED BANKING INSTITUTION.—The  
11           term ‘covered banking institution’ means an insured  
12           depository institution or depository institution hold-  
13           ing company.

14           “(2) INTEREST RATE SWAP.—With respect to a  
15           covered banking institution, the term ‘interest rate  
16           swap’ means a swap entered into by the covered  
17           banking institution for the purpose of hedging  
18           against the interest rate risk of debt securities or  
19           loans held on the balance sheet of the covered bank-  
20           ing institution.

21           “(3) HEDGE ACCOUNTING.—The term ‘hedge  
22           accounting’ means the accounting rules and regula-  
23           tions that enable the financial reporting of hedging  
24           relationships to better portray the economic results  
25           of an entity’s risk management activities in its fi-

1 nancial statements, including the accounting rules  
2 and guidance provided by the Financial Accounting  
3 Standards Board.

4 “(4) FAIR VALUE.—The term ‘fair value’ means  
5 the price that would be received to sell an asset or  
6 paid to transfer a liability in an orderly transaction  
7 between market participants at the measurement  
8 date.”.

9 (b) CLERICAL AMENDMENT.—The table of contents  
10 in section 1(b) of the Dodd-Frank Wall Street Reform and  
11 Consumer Protection Act is amended by inserting after  
12 the item relating to section 754 the following:

“Sec. 755. Exemptions for certain interest rate swaps of covered banking institutions.”.

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