

118TH CONGRESS
1ST SESSION

S. 825

To provide limitations of special assessments on community banks, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 15, 2023

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

A BILL

To provide limitations of special assessments on community 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 “Protecting Consumers
5 from Bailouts Act”.

6 **SEC. 2. LIMITATION ON SPECIAL ASSESSMENTS ON COM-**
7 **MUNITY BANKS.**

8 (a) IN GENERAL.—The Federal Deposit Insurance
9 Corporation may not impose an assessment on any bank
10 with less than \$10,000,000,000 in total assets in imposing

1 a special assessment under section 13(c)(4)(G)(ii) of the
2 Federal Deposit Insurance Act (12 U.S.C.
3 1823(c)(4)(G)(ii)).

4 (b) PROHIBITION ON INCREASE OF FEES TO CUS-
5 TOMERS.—

6 (1) IN GENERAL.—No institution required to
7 pay a special assessment under section
8 13(c)(4)(G)(ii) of the Federal Deposit Insurance Act
9 (12 U.S.C. 1823(c)(4)(G)(ii)) in connection with the
10 resolution of Silicon Valley Bank and Signature
11 Bank in March 2023 by the Department of the
12 Treasury shall increase any fees or charges to cus-
13 tomers of the institution in an attempt to offset the
14 costs of the special assessment.

15 (2) CIVIL PENALTY.—A violation of paragraph
16 (1) shall constitute a failure to pay an assessment
17 under section 18(h) of the Federal Deposit Insur-
18 ance Act (12 U.S.C. 1828(h)).

19 **SEC. 3. FDIC BONUS CLAWBACK AUTHORITY.**

20 Section 23(c)(4)(G) of the Federal Deposit Insurance
21 Act (12 U.S.C. 1823(c)(4)(G)) is amended by adding at
22 the end the following:

23 “(vi) INCENTIVE-BASED COMPENSA-
24 TION CLAW BACK.—

1 “(I) DEFINITION.—In this
2 clause:

3 “(aa) INCENTIVE-BASED
4 COMPENSATION.—The term ‘in-
5 centive-based compensation’ in-
6 cludes any compensation that is
7 granted, earned, or vested based
8 wholly or in part upon the attain-
9 ment of any financial reporting
10 measure or other performance
11 metric.

12 “(bb) OFFICER.—The term
13 ‘officer’ has the meaning given
14 the term in section 240.16a–1 of
15 title 17, Code of Federal Regula-
16 tions.

17 “(II) CLAWBACK.—

18 “(aa) IN GENERAL.—If the
19 Corporation takes other action or
20 provides assistance under this
21 subparagraph, the Corporation
22 shall have authority to seek reim-
23 bursement to the Deposit Insur-
24 ance Fund any amount of incen-
25 tive-based compensation paid to

1 an officer of an insured deposi-
2 tory institution for which the
3 Corporation is appointed receiver
4 during the 1-year period ending
5 on the date on which such ap-
6 pointment is made.

7 “(bb) CIVIL PENALTY.—Any
8 officer who fails to reimburse the
9 Deposit Insurance Fund under
10 item (aa) shall be liable to the
11 United States for a civil penalty
12 equal to 3 times the amount of
13 the incentive-based compensation
14 received by the officer.”.

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