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(Original Signature of Member)

114TH CONGRESS
1ST SESSION

H. R.

To require the Federal financial institutions regulatory agencies to take risk profiles and business models of institutions into account when taking regulatory actions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. TIPTON introduced the following bill; which was referred to the Committee on _____

A BILL

To require the Federal financial institutions regulatory agencies to take risk profiles and business models of institutions into account when taking regulatory actions, 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 “Taking Account of In-
5 stitutions with Low Operation Risk Act of 2015” or the
6 “TAILOR Act of 2015”.

1 **SEC. 2. REGULATIONS APPROPRIATE TO BUSINESS MOD-**
2 **ELS.**

3 (a) **IN GENERAL.**—For any regulatory action occur-
4 ring subsequent to enactment of this section, and notwith-
5 standing any other provision of law, the Federal financial
6 institutions regulatory agencies shall—

7 (1) take into consideration the risk profile and
8 business models of the various institutions or classes
9 of institutions subject to the regulatory action;

10 (2) determine the necessity, appropriateness,
11 and impact of applying such regulatory action to
12 such institutions or classes of institutions; and

13 (3) tailor such regulatory action applicable to
14 such institutions or class of institutions in a manner
15 that limits the regulatory compliance impact, cost, li-
16 ability risk, and other burdens as is appropriate for
17 the risk profile and business model involved.

18 (b) **OTHER CONSIDERATIONS.**—In satisfying the re-
19 quirements of subsection (a) and when implementing such
20 regulatory action, the Federal financial institutions regu-
21 latory agencies shall also consider—

22 (1) the impact that such regulatory action, both
23 by itself and in conjunction with the aggregate effect
24 of other regulations, has on the ability of the institu-
25 tion or class of institutions to flexibly serve evolving
26 and diverse customer needs;

1 (2) the potential unintended impact of examina-
2 tion manuals or other regulatory directives that
3 work in conflict with the tailoring of such regulatory
4 action described in subsection (a)(3); and

5 (3) the underlying policy objectives of the regu-
6 latory action and statutory scheme involved.

7 (c) NOTICE OF PROPOSED AND FINAL RULE-
8 MAKING.—The Federal financial institutions regulatory
9 agencies shall disclose in every notice of proposed rule-
10 making and in any final rulemaking for a regulatory ac-
11 tion how the agency has applied subsections (a) and (b).

12 (d) REPORTS TO CONGRESS.—

13 (1) INDIVIDUAL AGENCY REPORTS.—

14 (A) IN GENERAL.—The Federal financial
15 institutions regulatory agencies shall individ-
16 ually report to the Committee on Financial
17 Services of the House of Representatives and
18 the Committee on Banking, Housing, and
19 Urban Affairs of the Senate, within twelve
20 months of enactment of this section and annu-
21 ally thereafter, on the specific actions taken to
22 tailor the agency's regulatory actions pursuant
23 to the requirements of this section.

24 (B) APPEARANCE BEFORE THE COMMIT-
25 TEES.—The head of each Federal financial in-

1 stitution regulatory agency shall appear before
2 the Committee on Financial Services of the
3 House of Representatives and the Committee
4 on Banking, Housing, and Urban Affairs of the
5 Senate after each report is made pursuant to
6 subparagraph (A), to testify on the contents of
7 such report.

8 (2) FIEC REPORTS.—

9 (A) IN GENERAL.—The Financial Institu-
10 tions Examination Council shall report to the
11 Committee on Financial Services of the House
12 of Representatives and the Committee on Bank-
13 ing, Housing, and Urban Affairs of the Senate,
14 within three months after the reports required
15 under paragraph (1)—

16 (i) on the extent to which regulatory
17 actions tailored pursuant to this section re-
18 sult in differential regulation of similarly-
19 situated institutions of diverse charter
20 types with respect to comparable regula-
21 tions; and

22 (ii) the reasons for such differential
23 treatment.

24 (B) APPEARANCE BEFORE THE COMMIT-
25 TEES.—The Chairman of the Financial Institu-

1 tions Examination Council shall appear before
2 the Committee on Financial Services of the
3 House of Representatives and the Committee
4 on Banking, Housing, and Urban Affairs of the
5 Senate after each report is made pursuant to
6 subparagraph (A), to testify on the contents of
7 such report.

8 (e) LIMITED LOOK-BACK APPLICATION.—The Fed-
9 eral financial institutions regulatory agencies shall con-
10 duct a review of all regulations adopted during the period
11 beginning on the date that is five years before the date
12 of the introduction of this Act in the House of Representa-
13 tives and ending on the date of the enactment of this Act
14 and apply the requirements of this section to such regula-
15 tions. If the application of the requirements of this section
16 to any such regulation requires such regulation to be re-
17 vised, the agency shall revise such regulation within three
18 years of the enactment of this section.

19 (f) DEFINITIONS.—For purposes of this section, the
20 following definitions shall apply:

21 (1) FEDERAL FINANCIAL INSTITUTIONS REGU-
22 LATORY AGENCIES.—The term “Federal financial in-
23 stitutions regulatory agencies” means the Office of
24 the Comptroller of the Currency, the Board of Gov-
25 ernors of the Federal Reserve System, the Federal

1 Deposit Insurance Corporation, the National Credit
2 Union Administration, and the Bureau of Consumer
3 Financial Protection.

4 (2) REGULATORY ACTION.—The term “regu-
5 latory action” means any proposed, interim, or final
6 rule or regulation, guidance, or published interpreta-
7 tion.