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(Original Signature of Member)

115TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend the Volcker rule to give the Board of Governors of the Federal Reserve System sole rulemaking authority, to exclude community banks from the requirements of the Volcker rule, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. HILL introduced the following bill; which was referred to the Committee  
on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Volcker rule to give the Board of Governors of the Federal Reserve System sole rulemaking authority, to exclude community banks from the requirements of the Volcker rule, 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 “The Volcker Rule Reg-  
5 ulatory Harmonization Act”.

1 **SEC. 2. RULEMAKING AUTHORITY UNDER THE VOLCKER**  
2 **RULE.**

3 (a) IN GENERAL.—Section 13(b) of the Bank Hold-  
4 ing Company Act of 1956 (12 U.S.C. 1851(b)) is amend-  
5 ed—

6 (1) in the subsection heading, by striking “AND  
7 RULEMAKING” and inserting “, RULEMAKING, EX-  
8 AMINATIONS, AND ENFORCEMENT”;

9 (2) by amending paragraph (2) to read as fol-  
10 lows:

11 “(2) RULEMAKING.—The Board shall have sole  
12 authority to—

13 “(A) issue regulations under this section  
14 after the date of the enactment of this para-  
15 graph; and

16 “(B) amend any regulations issued under  
17 this section before, on, or after such date.”; and

18 (3) by adding at the end the following new  
19 paragraph:

20 “(3) EXAMINATION AND ENFORCEMENT AU-  
21 THORITY.—

22 “(A) PRIMARY FEDERAL BANKING AGEN-  
23 CY.—The primary Federal banking agency for a  
24 banking entity shall have sole authority to con-  
25 duct examinations of all affiliates of the bank-  
26 ing group to ensure compliance with this sec-

1           tion and to enforce this requirements of this  
2           section. The primary Federal banking agency  
3           shall keep the Board informed of all examina-  
4           tions of and any proposed supervisory or en-  
5           forcement actions against any affiliate of the  
6           banking entity and shall ensure that all actions  
7           taken against any affiliate of the banking group  
8           are consistent with the Board’s interpretation  
9           of this section and rules promulgated there-  
10          under.

11                   “(B) DEFINITIONS.—For purposes of this  
12           paragraph, the term ‘primary Federal banking  
13           agency’ means, with respect to any banking  
14           group, the appropriate Federal banking agency  
15           for an affiliate within the banking group with  
16           the highest amount of unconsolidated assets as  
17           of the most recent quarter.”.

18           (b) CONFORMING AMENDMENTS.—Section 13 of the  
19   Bank Holding Company Act of 1956 (12 U.S.C. 1851)  
20   is amended—

21                   (1) by striking “the appropriate Federal bank-  
22           ing agencies, the Securities and Exchange Commis-  
23           sion, and the Commodity Futures Trading Commis-  
24           sion,” each place it appears and inserting “the  
25           Board”;

1           (2) by striking “appropriate Federal banking  
2 agencies, the Securities and Exchange Commission,  
3 and the Commodity Futures Trading Commission”  
4 and inserting “Board”;

5           (3) in subsection (c)(5), by striking “Notwith-  
6 standing paragraph (2)” and all that follows  
7 through “provided in subsection (b)(2),” and insert-  
8 ing “The Board shall have the authority”;

9           (4) in subsection (d)(1)—

10           (A) in subparagraph (F)(ii)—

11           (i) by striking “the appropriate Fed-  
12 eral banking agencies” and inserting “the  
13 Board”; and

14           (ii) by striking “have not jointly” and  
15 inserting “has not”; and

16           (B) in subparagraph (G)(viii), by striking  
17 “appropriate Federal banking agencies, the Se-  
18 curities and Exchange Commission, or the Com-  
19 modity Futures Trading Commission,” each  
20 place it appears and inserting “Board”; and

21           (5) in subsection (e)(2)—

22           (A) by striking “an appropriate Federal  
23 banking agency, the Securities and Exchange  
24 Commission, or the Commodity Futures Trad-

1 ing Commission, as appropriate,” and inserting  
2 “the Board”; and

3 (B) by striking “under the respective agen-  
4 cy’s jurisdiction”.

5 **SEC. 3. EXCLUSION OF COMMUNITY BANKS FROM VOLCKER**  
6 **RULE.**

7 Section 13(h)(1) of the Bank Holding Company Act  
8 of 1956 (12 U.S.C. 1851(h)(1)) is amended—

9 (1) in subparagraph (D), by redesignating  
10 clauses (i) and (ii) as subclauses (I) and (II), respec-  
11 tively, and moving such subclauses 2 ems to the  
12 right;

13 (2) by redesignating subparagraphs (A), (B),  
14 (C), and (D) as clauses (i), (ii), (iii), and (iv), re-  
15 spectively, and moving such clauses 2 ems to the  
16 right;

17 (3) by striking “The term” and inserting the  
18 following:

19 “(A) IN GENERAL.—The term”; and

20 (4) by adding at the end the following:

21 “(B) EXCLUSION.—Notwithstanding sub-  
22 paragraph (A), the term ‘banking entity’ does  
23 not include any entity that has total consoli-  
24 dated assets of \$10,000,000,000 or less.”.