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(Original Signature of Member)

115TH CONGRESS
1ST SESSION

H. R. _____

To place requirements on operational risk capital requirements for banking organizations established by an appropriate Federal banking agency.

IN THE HOUSE OF REPRESENTATIVES

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

A BILL

To place requirements on operational risk capital requirements for banking organizations established by an appropriate Federal banking agency.

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. OPERATIONAL RISK CAPITAL REQUIREMENTS**
4 **FOR BANKING ORGANIZATIONS.**

5 (a) IN GENERAL.—An appropriate Federal banking
6 agency may not establish an operational risk capital re-
7 quirement for banking organizations, unless such require-
8 ment—

1 (1) is based primarily on the risks posed by a
2 banking organization’s current activities and busi-
3 nesses;

4 (2) is appropriately sensitive to the risks posed
5 by such current activities and businesses;

6 (3) is determined under a forward-looking as-
7 sessment of potential losses that may arise out of a
8 banking organization’s current activities, businesses,
9 and exposures, which is not solely based on a bank-
10 ing organization’s historical losses; and

11 (4) permits adjustments based on qualifying
12 operational risk mitigants.

13 (b) DEFINITIONS.—For purposes of this section:

14 (1) APPROPRIATE FEDERAL BANKING AGEN-
15 CY.—The term “appropriate Federal banking agen-
16 cy”—

17 (A) has the meaning given such term
18 under section 3 of the Federal Deposit Insur-
19 ance Act; and

20 (B) means the National Credit Union Ad-
21 ministration, in the case of an insured credit
22 union.

23 (2) BANKING ORGANIZATION.—The term
24 “banking organization” means—

1 (A) an insured depository institution (as
2 defined under section 3 of the Federal Deposit
3 Insurance Act);

4 (B) an insured credit union (as defined
5 under section 101 of the Federal Credit Union
6 Act);

7 (C) a depository institution holding com-
8 pany (as defined under section 3 of the Federal
9 Deposit Insurance Act);

10 (D) a company that is treated as a bank
11 holding company for purposes of section 8 of
12 the International Banking Act; and

13 (E) a U.S. intermediate holding company
14 established by a foreign banking organization
15 pursuant to section 252.153 of title 12, Code of
16 Federal Regulations.