To provide for a 3-year moratorium on approving new industrial loan company deposit insurance applications and change in control requests, to require the Comptroller General of the United States shall carry out a study of the various Federal and State banking charters, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M__ introduced the following bill; which was referred to the Committee on ____________

A BILL

To provide for a 3-year moratorium on approving new industrial loan company deposit insurance applications and change in control requests, to require the Comptroller General of the United States shall carry out a study of the various Federal and State banking charters, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Bank Charter Review Act”.

April 8, 2021 (10:36 a.m.)
SEC. 2. MORATORIUM ON APPROVING NEW ILC DEPOSIT INSURANCE APPLICATIONS.

During the 3-year period beginning on the date of enactment of this Act, the Federal Deposit Insurance Corporation may not approve an application for deposit insurance under section 5 of the Federal Deposit Insurance Act (12 U.S.C. 1815) for an industrial loan company.

SEC. 3. MORATORIUM ON ILC-RELATED CHANGES OF CONTROL.

(a) In General.—Except as provided in subsection (b), during the 3-year period beginning on the date of enactment of this Act, the appropriate Federal banking agency shall disapprove a change in control, as provided in section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)), of an industrial loan company.

(b) Exceptions.—Subsection (a) shall not apply to a change in control of an industrial loan company—

(1) that—

(A) is in danger of default, as determined by the appropriate Federal banking agency;

(B) results from the merger or whole acquisition of a commercial firm that directly or indirectly controls the industrial loan company in a bona fide merger with or acquisition by another commercial firm, as determined by the appropriate Federal banking agency.
(C) results from an acquisition of voting shares of a publicly traded company that controls an industrial loan company if, after the acquisition, the acquiring shareholder (or group of shareholders acting in concert) holds less than 25 percent of any class of the voting shares of the company; or

(D) will be controlled, directly or indirectly, by a firm subject to consolidated supervision by the Board of Governors of the Federal Reserve System as—

(i) a bank holding company;

(ii) a savings and loan holding company; or

(iii) a foreign bank organization treated as of July 1, 2020, as a bank holding company under the International Banking Act (12 U.S.C. 3101 et seq.); and

(2) that has obtained all regulatory approvals otherwise required for such change of control under any applicable Federal or State law, including section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)).
SEC. 4. GAO STUDY ON BANKING ChARTERS.

(a) IN GENERAL.—The Comptroller General of the United States shall carry out a study of the various Federal and State banking charters and the use of technology by various market participants.

(b) REPORT.—Not later than the end of the 18-month period beginning on the date of enactment of this Act, the Comptroller General shall issue a report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing—

(1) all findings and determinations made in carrying out the study required under paragraph (1); and

(2) administrative and legislative recommendations to promote—

(A) the separation of banking and commerce;

(B) consumer protection;

(C) diversity and inclusion;

(D) safety and soundness;

(E) financial stability; and

(F) a level playing field for current and potential market participants.