

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 1264
OFFERED BY MR. WILLIAMS OF TEXAS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Community Financial
3 Institution Exemption Act”.

**4 SEC. 2. EXEMPTION FOR CERTAIN FINANCIAL INSTITU-
5 TIONS.**

6 Section 1022(b) of the Consumer Financial Protec-
7 tion Act of 2010 (12 U.S.C. 5512(b)) is amended—

8 (1) in paragraph (3), by amending the heading
9 to read as follows: “GENERAL EXEMPTIONS”;

10 (2) by redesignating paragraph (4) as para-
11 graph (5); and

12 (3) by inserting after paragraph (3) the fol-
13 lowing:

14 “(4) SPECIFIC EXEMPTION FOR CERTAIN FI-
15 NANCIAL INSTITUTIONS.—

16 “(A) IN GENERAL.—An insured depository
17 institution or credit union with less than
18 \$50,000,000,000 in consolidated assets shall be

1 exempt from all rules and regulations issued by
2 the Bureau.

3 “(B) EXCEPTION.—The Bureau may re-
4 voke an exemption provided under subpara-
5 graph (A) with respect to a specific rule or reg-
6 ulation and a specific class of insured deposi-
7 tory institutions or credit unions described in
8 subparagraph (A) if—

9 “(i) the Bureau makes a detailed,
10 written finding that such class of insured
11 depository institutions or credit unions de-
12 scribed in subparagraph (A) has engaged in
13 a pattern or practice of activities that have
14 been detrimental to the interests of con-
15 sumers and are of a type that the specific
16 rule or regulation is intended to address;

17 “(ii) the Bureau consults with the
18 Federal banking agencies with respect to
19 such revocation; and

20 “(iii) each Federal banking agency
21 provides the Bureau with a written notice
22 stating that the Federal banking agency
23 agrees with such revocation.

24 “(C) EFFECTIVE DATE; EFFECT ON PRIOR
25 RULES.—

1 “(i) EFFECTIVE DATE.—This para-
2 graph shall take effect with respect to
3 rules and regulations issued or modified
4 after the date of enactment of this para-
5 graph.

6 “(ii) EFFECT ON PRIOR RULES.—This
7 paragraph shall not prohibit the Bureau
8 from modifying a rule or regulation issued
9 prior to the date of enactment of this para-
10 graph with respect to insured depository
11 institutions or credit unions described in
12 subparagraph (A) if the effect of such
13 modification is to expand a current exemp-
14 tion or to reduce the costs and the regu-
15 latory burden associated with complying
16 with such rule or regulation.

17 “(D) FEDERAL BANKING AGENCY DE-
18 FINED.—For purposes of this paragraph, the
19 term ‘Federal banking agency’ means the
20 Board of Governors, the Office of the Comp-
21 troller of the Currency, the Corporation, and
22 the National Credit Union Administration.”.

Amend the title so as to read: “A bill to provide an exemption from rules and regulations of the Bureau of

Consumer Financial protection for certain financial institutions, and for other purposes.”.

