



UNITED STATES HOUSE COMMITTEE ON
FINANCIAL SERVICES
CHAIRMAN FRENCH HILL

Section-by-Section: Main Street Capital Access (“Main Street”) Act

H.R. 6955, the Main Street Capital Access Act, introduced by Chairman French Hill (AR-02) and Subcommittee on Financial Institutions Chairman Andy Barr (KY-06), revitalizes local bank formation and ensures that community lenders can focus on serving families, small businesses, and local economies, making life more affordable for Americans and empowering Main Street.

TITLE I – NEW BANK FORMATION AND LOCAL COMMUNITY ACCESS

Sec. 101. Promoting New Bank Formation. Section 101 provides for a three-year phase-in period for de novo financial institutions to meet Federal capital requirements; lowers the Community Bank Leverage Ratio (CBLR) for rural community banks to 7.5% or the generally applicable CBLR, whichever is lower, during the first three years of operation; and requires the Federal banking agencies to set rules further reducing the CBLR for the initial two years.

Sec. 102. New Bank Application Numbers Knowledge. Section 102 requires the Federal Reserve Board (FRB), Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and National Credit Union Administration (NCUA) to publish annual reports on applications received for Federal depository institution charters, depository institution holding companies, Federal deposit insurance, and State depository institution charters.

Sec. 103. Bank Failure Prevention. Section 103 requires the FRB, FDIC, and OCC to notify applicants within 30 days of submission whether their applications for mergers or acquisitions are complete, and it mandates final agency action — approval or denial — within 90 days of the initial submission. A one-time 30-day extension is permitted at the applicant’s request.

Sec. 104. Rural Depositories Revitalization Study. Section 104 requires Federal prudential regulators to jointly study ways to improve the growth, capital adequacy, and profitability of rural depository institutions and to identify regulatory barriers to these goals and to the formation of new depository institutions, with a report to Congress due within one year of enactment.

TITLE II – TAILORING BANK REGULATION

Sec. 201. Taking Account of Institutions with Low Operation Risk. Section 201 requires the OCC, FDIC, FRB, NCUA, and Consumer Financial Protection Bureau (CFPB) to consider an institution’s risk profile and business model when issuing new regulations or taking supervisory actions.

Sec. 202. Small Bank Holding Company Relief. Section 202 raises the Federal Reserve's consolidated asset threshold under the Small Bank Holding Company and Savings and Loan Holding Company Policy Statement from \$3 billion to \$25 billion.

Sec. 203. Community Bank Leverage Improvement and Flexibility for Transparency. Section 203 amends the *Economic Growth, Regulatory Relief, and Consumer Protection Act* (S. 2155) to increase the threshold for eligible banks from \$10 billion to \$15 billion and lower the statutory range for the CBLR from 8-10% to 6-8%.

Sec. 204. Tailoring and Indexing Enhanced Regulations. Section 204 indexes various asset-based thresholds for bank regulations to nominal gross domestic product (GDP) for banks categorized as Category II, III, and IV.

TITLE III – FAIR AND TRANSPARENT BANK SUPERVISION

Sec. 301. Halting Uncertain Methods and Practices in Supervision. Section 301 requires the Federal Financial Institutions Examination Council (FFIEC) to develop formal recommendations to revise the CAMELS rating system by establishing objective, quantifiable criteria for each CAMELS component, revise the weighting methodology to better reflect actual risk, and either eliminate or narrow the scope of the Management component.

Sec. 302. Fair Audits and Inspections for Regulators' Exams. Section 302 establishes an Office of Independent Examination Review within the FFIEC to review material supervisory determinations (MSDs) issued by the federal banking agencies.

Sec. 303. Supervisory Modifications for Appropriate Risk-based Testing. Section 303 provides well-managed and well-capitalized financial institutions with assets under \$6 billion targeted regulatory relief by instituting alternating limited-scope examinations and allowing institutions to opt into combining their safety and soundness, information technology, cybersecurity, and consumer compliance exams to streamline oversight and reduce burdens.

Sec. 304. Tailored Regulatory Updates for Supervisory Testing. Section 304 raises the consolidated asset threshold from \$3 billion to \$6 billion for insured depository institutions to qualify for an 18-month examination cycle.

Sec. 305. Stress Testing Accountability and Transparency. Section 305 requires the FRB to issue regulations to establish the models, assumptions, and scenarios used in annual stress tests which serve as the basis for covered banking organizations' stress capital buffer requirements.

Sec. 306. Community Bank Representation. Section 306 expands the role of the community bank representative on the FRB to provide them with a more explicit role in the supervision and regulation of banking organizations with less than \$17 billion in total assets that the FRB supervises.

Sec. 307. Financial Integrity and Regulation Management. Section 307 prohibits the use of "reputational risk" as a factor in the supervision of depository institutions.

TITLE IV – REGULATORY ACCOUNTABILITY AND TRANSPARENCY

Sec. 401. FDIC Board Accountability. Section 401 amends the *Federal Deposit Insurance Act* to strengthen the professional qualifications and governance of the FDIC Board of Directors.

Sec. 402. Stop Agency Fiat Enforcement of Guidance. Section 402 requires federal financial regulatory agencies to clearly state on the first page of guidance documents that they have no legal force and are intended only to clarify existing laws or policies, with the Office of Management and Budget (OMB) overseeing implementation to ensure transparency and accountability.

Sec. 403. Regulatory Efficiency, Verification, Itemization, and Enhanced Workflow. Section 403 amends the *Economic Growth and Regulatory Paperwork Reduction Act of 1996* to build on the existing regulatory review process by increasing the frequency from every ten years to every seven years and requiring the FRB, FDIC, OCC, and NCUA to conduct an internal review of the cumulative impact of their regulations.

Sec. 404. American Financial Institution Regulation Sovereignty and Transparency. Section 404 requires the FRB, OCC, and FDIC to include in their respective annual reports information on their interactions with global financial regulatory or supervisory forums, like the Basel Committee on Banking Supervision, for the purpose of policy standardization, public transparency, and congressional oversight.

TITLE V – STRENGTHENING LOCAL BANK FUNDING

Sec. 501. Bringing the Discount Window into the 21st Century. Section 501 directs the FRB to review its discount window program, identify deficiencies, develop a remediation plan in consultation with the Federal Reserve Banks, and submit a report to Congress within a year of enactment that outlines the findings and proposed improvements.

Sec. 502. Keeping Deposits Local. Section 502 modifies the amount of reciprocal deposits of an insured depository institution that are not considered to be brokered deposits under a graduated scale based on an institution's total liabilities. The institution is also required to be well-capitalized and receive strong supervisory ratings from their regulators.

Sec. 503. Community Bank Deposit Access. Section 503 establishes that custodial deposits of an insured depository institution are not considered to be brokered deposits if the total amount does not exceed 20% of an institution's total liabilities and the institution has less than \$10 billion in assets.

TITLE VI – PROMOTING BANK COMPETITION AND MERGER CLARITY

Sec. 601. Bank Competition Modernization. Section 601 amends the *Federal Deposit Insurance Act*, the *Bank Holding Company Act*, and the *Home Owners' Loan Act* to allow the Federal banking agencies not to request a competitive factors report from the Attorney General for bank merger applications where the resulting institution would have less than \$10 billion in assets. The bill also

would remove competition as a consideration from applications where the resulting institution would have less than \$10 billion in assets.

Sec. 602. Merger Agreement Approvals Clarity and Predictability. Section 602 requires the Comptroller General of the United States to study and issue a report on the use of commitments, conditions, and other aspects of bank merger review procedures by Federal prudential regulators.

Sec. 603. Merger Process Review. Section 603 requires the Inspector General of each Federal prudential regulator to carry out a review every three years of its merger procedures, submit a report to Congress containing the review findings and recommendations, and submit a plan to Congress to implement those recommendations to the extent appropriate.

TITLE VII – STRENGTHENING TRANSPARENCY AND INVOLVEMENT IN BANK RESOLUTIONS

Sec. 701. Least Cost Exception. Section 701 amends the *Federal Deposit Insurance Act* to modify the least cost resolution mandate to provide the FDIC with the discretion to approve a bid for a failed or failing bank other than the absolute least cost bid, provided certain conditions and guardrails are met.

Sec. 702. Enhancing Bank Resolution Participation. Section 702 directs the Federal banking agencies to jointly study and report to Congress on the OCC's historical use of "shelf charters" and the FDIC's use of the modified bidder qualification processes.

TITLE VIII – FACILITATING INNOVATION AND BANK PARTNERSHIPS

Sec. 801. Merchant Banking Modernization. Section 801 amends the *Bank Holding Company Act* to permit the holding of merchant banking investments for up to 15 years.

Sec. 802. Bank-Fintech Partnership Enhancement. Section 802 directs the FRB, FDIC, and OCC to conduct a study on the impact of bank-fintech partnerships on the banking sector, competition, innovation, consumer protection, and the availability of financial products and services.