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(Original Signature of Member)

115TH CONGRESS  
1ST SESSION

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

To require the Federal prudential banking agencies to determine whether certain institutions they regulate engage in a pattern or practice of violations of Federal banking and consumer protection laws and regulations, to provide for the revocation of banking charters and Federal deposit insurance for such institutions, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Ms. MAXINE WATERS of California introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To require the Federal prudential banking agencies to determine whether certain institutions they regulate engage in a pattern or practice of violations of Federal banking and consumer protection laws and regulations, to provide for the revocation of banking charters and Federal deposit insurance for such institutions, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Megabank Account-  
3 ability and Consequences Act of 2017”.

4 **SEC. 2. FINDINGS.**

5 Congress finds the following:

6 (1) The Federal prudential banking agencies  
7 and the Bureau of Consumer Financial Protection  
8 (“Consumer Bureau”) are tasked with the responsi-  
9 bility for overseeing United States banking organiza-  
10 tions and foreign banks operating in the United  
11 States. Prior to the enactment of the Dodd-Frank  
12 Wall Street Reform and Consumer Protection Act in  
13 2010 (“Dodd-Frank Act”) and the existence of the  
14 Consumer Bureau, the Federal prudential banking  
15 agencies were responsible for supervising banks for  
16 safety and soundness and compliance with Federal  
17 consumer financial laws.

18 (2) Following the 2007-2009 financial crisis,  
19 Congress conducted a series of hearings and con-  
20 cluded that in the years leading up to the crisis, the  
21 Federal prudential banking agencies were not ade-  
22 quately utilizing their rulemaking and supervisory  
23 functions, nor enforcing Federal consumer financial  
24 laws appropriately, which led to widespread con-  
25 sumer abuses that in turn contributed to the crisis  
26 and led to the near collapse of the United States

1 banking system. To the extent Federal prudential  
2 banking agencies took action to enforce consumer  
3 protection laws, their actions were extremely limited  
4 and focused on small banks even though the major-  
5 ity of consumer complaints were tied to the largest  
6 banks. In order to better protect consumers from  
7 many of the predatory acts and practices within the  
8 consumer financial marketplace that contributed to  
9 the financial crisis, and to restore integrity to the  
10 country's financial system, Congress enacted the  
11 Consumer Financial Protection Act of 2010  
12 (“CFPA”), under title X of the Dodd-Frank Act.  
13 The CFPA established the Consumer Bureau to reg-  
14 ulate the offering and provision of consumer finan-  
15 cial products or services under the Federal consumer  
16 financial law for certain covered entities. The Con-  
17 sumer Bureau's enforcement powers with respect to  
18 very large banking organizations include investiga-  
19 tive authority and the ability to—

20 (A) conduct hearings and adjudication pro-  
21 ceedings;

22 (B) commence civil action lawsuits and  
23 make referrals to the U.S. Attorney General for  
24 criminal proceedings;

1 (C) issue consent orders, under which res-  
2 titution, refunds, rescission or reformation of  
3 contracts, or claw-back of compensation, is re-  
4 quired; and

5 (D) impose civil money penalties.

6 (3) In the years since Congress enacted the  
7 Dodd-Frank Act, some very large banking organiza-  
8 tions operating in the United States have repeatedly  
9 violated Federal banking and consumer protection  
10 laws by engaging in unethical business practices,  
11 which have enabled them to maximize profits for  
12 shareholders at the expense of the interest of the  
13 public. Enforcement actions have been taken, most  
14 notably by the Consumer Bureau, but these banks  
15 continue to act with impunity and violate numerous  
16 laws designed to protect consumers.

17 (4) Senior bank executives, including the chief  
18 executive officer, board of directors and other senior  
19 officers at the largest banking organizations have  
20 rarely been held personally accountable for Federal  
21 consumer protection law violations and other illicit  
22 practices that occurred during their tenure. In a re-  
23 port to Congress from The Office of the Special In-  
24 spector General for the Troubled Asset Relief Pro-  
25 gram (“SIGTARP”), the SIGTARP wrote in 2016:

1 “The American people have called for stronger re-  
2 forms on Wall Street, frustrated by the lack of sen-  
3 ior executive accountability at the largest banks. I  
4 have called for Wall Street reform based on the dif-  
5 ficulties SIGTARP has faced as a law enforcement  
6 agency in proving criminal intent of senior execu-  
7 tives at large institutions given how isolated they are  
8 from knowledge of fraud in their company. This iso-  
9 lation is part of the culture at large institutions, and  
10 is something that is unlikely to change absent re-  
11 form.”.

12 (5) The Consumer Bureau has taken strides in  
13 fulfilling its statutory objectives and mission to en-  
14 sure that all consumers have access to markets for  
15 consumer financial products and services and that  
16 these markets are fair, transparent, and competitive.  
17 Yet, unlike the broad authority of Federal prudential  
18 banking regulators over entire operations of its regu-  
19 lated entities, the scope of and applicability of the  
20 Consumer Bureau’s supervisory authority is limited.  
21 The Consumer Bureau, for example, does not have  
22 the authority to revoke a bank’s charter or termi-  
23 nate a bank’s Federal deposit insurance, even when  
24 it has found a bank to have engaged in a pattern

1 of recurring and egregious violations of Federal con-  
2 sumer financial laws and regulations.

3 (6) The Federal prudential banking agencies  
4 are authorized to not only license, charter, and ap-  
5 prove the operations of banking organizations, but  
6 also to supervise these institutions for compliance  
7 with Federal banking laws and regulations. Addi-  
8 tionally, the Federal prudential banking agencies  
9 have indicated, and Congress agrees, that instances  
10 of consumer harm by a banking organization may be  
11 deemed an unsafe or unsound banking practice of an  
12 institution, warranting additional enforcement ac-  
13 tions beyond those that have also been issued by the  
14 Consumer. Federal Reserve Board Chair Janet  
15 Yellen said in 2016, “Of course, consumer issues  
16 and issues that involve harm of consumers can be-  
17 come safety and soundness issues. And if there  
18 was—at least one of the lessons from the financial  
19 crisis, I think, is that abuses of consumers of the  
20 sort that we see—saw in subprime lending ulti-  
21 mately did become—become safety and soundness  
22 issues. And so, of course, we need to have that con-  
23 cern, and we’ll focus there.”.

24 (7) Formal and informal enforcement authori-  
25 ties afforded to the Federal prudential banking

1 agencies include consent orders, cease and desist or-  
2 ders, civil money penalties, written agreements, and  
3 the ability to place limitations on or remove institu-  
4 tion-affiliated parties—such as a director or officer  
5 of an institution—for violations of laws or regula-  
6 tions. For the most egregious cases, when institu-  
7 tions commit illegal acts or repeatedly fail to comply  
8 with laws or regulations, the Federal prudential  
9 banking agencies also have the authority, and duty,  
10 to take more serious actions, such as limit the activi-  
11 ties or functions of a bank, permanently bar culpable  
12 bank officials from working again in the banking in-  
13 dustry, terminate Federal deposit insurance for a  
14 bank, appoint a receiver to unwind the bank or re-  
15 voke the bank’s national charter.

16 (8) Despite these important statutory powers,  
17 the Federal prudential banking agencies continue to  
18 rely on enforcement tools such as consent orders,  
19 cease and desist orders, and civil money penalties,  
20 even in instances when an institution’s violations  
21 have demonstrated unsafe or unsound business prac-  
22 tices and past supervisory and enforcement actions  
23 have not sufficiently deterred illegal practices.

24 (9) The failure of the Federal prudential bank-  
25 ing agencies to exercise statutorily provided enforce-

1       ment authorities—such as revoking a bank’s na-  
2       tional charter or terminating its Federal deposit in-  
3       surance—on institutions that have demonstrated a  
4       pattern or practice of unsafe or unsound banking  
5       practices related to repeat violations of Federal con-  
6       sumer financial laws or regulations, has resulted in  
7       insufficient regulatory oversight that has allowed in-  
8       stitutions to continue to engage in inappropriate and  
9       illegal business practices harming millions of con-  
10      sumers.

11           (10) Unlike small community banks that serve  
12      consumers in their local communities, megabanks  
13      (as identified as global systemically important bank  
14      holding companies) are comparatively extremely  
15      large and serve millions of consumers. Whereas Fed-  
16      eral prudential banking agencies have demonstrated  
17      an ability to take enforcement actions against small  
18      community banks, including for violations of Federal  
19      consumer financial law, the same has not been dem-  
20      onstrated to be true of megabanks. While the Dodd-  
21      Frank Act established a regulatory framework that  
22      has made significant progress in leveling the playing  
23      field between large and small banks, including with  
24      respect to how the Consumer Bureau’s authorities  
25      were designed and how the toughest rules apply to

1 megabanks, new laws should be enacted that build  
2 on the Dodd-Frank Act's tiered and tailored regu-  
3 latory framework to mandate action in areas where  
4 Federal prudential banking agencies have been re-  
5 luctant to exercise their discretion to take appro-  
6 priate action against megabanks that repeatedly vio-  
7 late laws and harm millions of consumers. New laws  
8 should also be enacted to clarify repeated violations  
9 of Federal consumer protection law are sufficient  
10 grounds to take certain enforcement actions.

11 (11) To ensure market discipline and con-  
12 fidence in the U.S. financial system, Federal pruden-  
13 tial banking regulators should exercise all statutorily  
14 mandated powers, including revoking the charter or  
15 terminating Federal deposit insurance of any large  
16 banking organization that has demonstrated a pat-  
17 tern of engaging in unsafe and unsound banking  
18 practices that extensively harms consumers.

19 (12) Any megabank, either through its holding  
20 company, depository institutions, or affiliates, that  
21 repeatedly harms consumers or violates Federal con-  
22 sumer financial laws or regulations, has dem-  
23 onstrated a pattern of unsafe or unsound banking  
24 practices that necessitates that Federal prudential  
25 banking agencies immediately initiate proceedings,

1 under existing statutory authority, to revoke the its  
2 national charter or terminate its Federal deposit in-  
3 surance, and place the institution into receivership  
4 for sale or dissolution.

5 (13) Furthermore, even if a banking organiza-  
6 tion's violations of Federal consumer financial laws  
7 are deemed not to technically constitute unsafe or  
8 unsound banking practices, it still may demonstrate  
9 a pattern of wrongdoing causing unacceptable harm  
10 to its customers, such that continuing to enable it to  
11 engage in the business of banking distorts the regu-  
12 latory purpose of providing national bank charters,  
13 deposit insurance and other benefits, and under-  
14 mines the overarching mission of all Federal pruden-  
15 tial banking agencies to protect the interest of the  
16 public and the needs of consumers. Federal legisla-  
17 tion is needed, therefore, to underscore the impor-  
18 tance that Federal prudential banking regulators  
19 should, after consulting with the Consumer Bureau,  
20 exercise all their available enforcement powers with  
21 respect to large banking organizations that repeat-  
22 edly violate Federal consumer financial laws, includ-  
23 ing authority to restrict business lines, revoke an in-  
24 stitution's national banking charter, terminate the  
25 institution's Federal deposit insurance, and hold the

1 institution's board of directors and senior officers  
2 accountable.

3 **SEC. 3. DEFINITIONS.**

4 For purposes of this Act:

5 (1) **BANKING ORGANIZATION.**—The term  
6 “banking organization” means any bank, savings as-  
7 sociation, bank holding company, or savings and  
8 loan holding company, and includes any subsidiary  
9 or affiliate of a bank holding company or savings  
10 and loan holding company.

11 (2) **BOARD OF GOVERNORS.**—The term “Board  
12 of Governors” means the Board of Governors of the  
13 Federal Reserve System.

14 (3) **COMPTROLLER.**—The term “Comptroller”  
15 means the Comptroller of the Currency.

16 (4) **CONSUMER BUREAU.**—The term “Consumer  
17 Bureau” means the Bureau of Consumer Financial  
18 Protection.

19 (5) **CORPORATION.**—The term “Corporation”  
20 means the Board of Directors of the Federal Deposit  
21 Insurance Corporation.

22 (6) **FEDERAL CONSUMER FINANCIAL LAW.**—  
23 The term “Federal consumer financial law” has the  
24 meaning given that term under section 1002 of the

1 Consumer Financial Protection Act of 2010 (12  
2 U.S.C. 5481).

3 (7) FEDERAL CONSUMER PROTECTION LAW.—

4 The term “Federal consumer protection law”  
5 means—

6 (A) the Federal consumer financial law;

7 (B) the Fair Housing Act;

8 (C) the Federal Trade Commission Act;

9 (D) section 987 of title 10, United States  
10 Code (commonly known as the “Military Lend-  
11 ing Act”);

12 (E) the Servicemembers Civil Relief Act;

13 and

14 (F) any regulation issued under a law de-  
15 scribed under subparagraph (A), (B), (C), (D),  
16 or (E).

17 (8) FEDERAL PRUDENTIAL BANKING AGEN-  
18 CIES.—The term “Federal prudential banking agen-  
19 cies” means the Board of Governors, the Comp-  
20 troller, and the Corporation.

21 (9) FOREIGN BANK.—The term “foreign bank”  
22 has the meaning given that term under section 1(b)  
23 of the International Banking Act of 1978 (12 U.S.C.  
24 3101(b)).

1           (10) GLOBAL SYSTEMICALLY IMPORTANT BANK  
2 HOLDING COMPANY.—

3           (A) IN GENERAL.—The term “global sys-  
4 temically important bank holding company”  
5 means—

6           (i) a bank holding company that has  
7 been identified by the Board of Governors  
8 as a global systemically important bank  
9 holding company pursuant to section  
10 217.402 of title 12, Code of Federal Regu-  
11 lations; and

12           (ii) a global systemically important  
13 foreign banking organization, as defined  
14 under section 252.2 of title 12, Code of  
15 Federal Regulations.

16           (B) TREATMENT OF EXISTING GSIBS.—A  
17 company or organization described under clause  
18 (i) or (ii) of subparagraph (A) on the date of  
19 the enactment of this Act shall be deemed a  
20 global systemically important bank holding com-  
21 pany for purposes of this Act.

22           (11) PATTERN OR PRACTICE OF UNSAFE OR  
23 UNSOUND BANKING PRACTICES AND OTHER VIOLA-  
24 TIONS RELATED TO CONSUMER HARM.—The term  
25 “pattern or practice of unsafe or unsound banking

1 practices and other violations related to consumer  
2 harm” means engaging in all of the following activi-  
3 ties, to the extent each activity was discovered or oc-  
4 curred at least once in the 10 years preceding the  
5 date of the enactment of this Act:

6 (A) Having unsafe or unsound practices in  
7 the institution’s risk management and oversight  
8 of the institution’s sales practices, as evidenced  
9 by—

10 (i) an institution lacking an enter-  
11 prise-wide sales practices oversight pro-  
12 gram that enables the institution to ade-  
13 quately monitor sales practices to prevent  
14 and detect unsafe or unsound sales prac-  
15 tices and mitigate risks that may result  
16 from such unsafe and unsound sales prac-  
17 tices; and

18 (ii) an institution lacking a com-  
19 prehensive customer complaint monitoring  
20 process that—

21 (I) enables the institution to as-  
22 sess customer complaint activity  
23 across the bank;

1 (II) adequately monitors, man-  
2 ages, and reports on customer com-  
3 plaints; and

4 (III) analyzes and understands  
5 the potential risks posed by the insti-  
6 tution's sales practices.

7 (B) Engaging in unsafe and unsound sales  
8 practices, as evidenced by the institution—

9 (i) opening more than one million un-  
10 authorized deposit, credit card, or other  
11 accounts;

12 (ii) performing unauthorized transfers  
13 of customer funds; and

14 (iii) performing unauthorized credit  
15 inquiries for purposes of the conduct de-  
16 scribed in clause (i) or (ii).

17 (C) Lacking adequate oversight of third-  
18 party vendors for purposes of risk-mitigation, to  
19 prevent abusive and deceptive practices in the  
20 vendor's provision of consumer products or  
21 services.

22 (D) Having deficient policies and proce-  
23 dures for sharing customers' personal identifi-  
24 able information with third-party vendors for  
25 litigation purposes that led to inadvertent dis-

1 closure of such information to unintended par-  
2 ties.

3 (E) Violating Federal consumer financial  
4 laws with respect to mortgage loans, including  
5 charges of hidden fees and unauthorized or im-  
6 proper disclosures tied to home mortgage loan  
7 modifications.

8 (F) Engaging in unsafe or unsound bank-  
9 ing practices related to residential mortgage  
10 loan servicing and foreclosure processing.

11 (G) Violating the Servicemembers Civil Re-  
12 lief Act.

13 (12) PATTERN OR PRACTICE OF VIOLATIONS OF  
14 FEDERAL CONSUMER PROTECTION LAWS.—

15 (A) IN GENERAL.—The term “pattern or  
16 practice of violations of Federal consumer pro-  
17 tection laws” means—

18 (i) a pattern or practice of unsafe or  
19 unsound banking practices and other viola-  
20 tions related to consumer harm; and

21 (ii) such other pattern or practice as  
22 the Director of the Consumer Bureau  
23 shall, in consultation with the Comptroller,  
24 the Board of Governors, and the Corpora-  
25 tion, establish by regulation.

1 (B) TIME PERIOD.—Eligible activities that  
2 may be included in any pattern or practice de-  
3 scribed under subparagraph (A) are those that  
4 were discovered or occurred in the 10 years pre-  
5 ceeding any determination made under section  
6 101 or section 201.

7 (C) RULEMAKING.—Not later than the end  
8 of the 1-year period beginning on the date of  
9 the enactment of this Act, the Director of the  
10 Consumer Bureau shall issue final regulations  
11 to carry out subparagraph (A)(ii).

12 (13) STATE.—The term “State” means the sev-  
13 eral States, the District of Columbia, and any other  
14 territory or possession of the United States.

15 (14) DEFINITIONS RELATED TO SUBSIDIARIES  
16 AND AFFILIATES OF FOREIGN BANKS.—The terms  
17 “agency”, “branch”, “commercial lending com-  
18 pany”, and “representative office” have the mean-  
19 ings given those terms, respectively, under section  
20 1(b) of the International Banking Act of 1978 (12  
21 U.S.C. 3101(b)).

22 (15) OTHER BANKING DEFINITIONS.—The  
23 terms “affiliate”, “appropriate Federal banking  
24 agency”, “depository institution”, “Federal savings  
25 association”, “insured depository institution”, “na-

1 tional bank”, “savings association”, “subsidiary”,  
2 “State depository institution”, and “State member  
3 bank” have the meaning given those terms, respec-  
4 tively, under section 3 of the Federal Deposit Insur-  
5 ance Act (12 U.S.C. 1813)

6 **SEC. 4. AGENCY AUTHORITY.**

7 (a) IN GENERAL.—Notwithstanding any other law  
8 and for the sole purpose of carrying out the requirements  
9 of this Act, in the event that the Board of Governors or  
10 the Corporation lack a quorum, a majority of the members  
11 of the Board of Governors and a majority of the members  
12 of the Corporation shall have the full authority to act on  
13 behalf of their respective agency.

14 (b) DETERMINATION OF CERTAIN VIOLATIONS.—In  
15 making any determination under this Act with respect to  
16 whether an institution has violated a Federal consumer  
17 protection law, if a Federal prudential banking agency  
18 does not have enforcement authority over the applicable  
19 Federal consumer protection law, the agency shall rely on  
20 publically available information with respect to such viola-  
21 tions, such as criminal convictions and enforcement ac-  
22 tions, and consult with any relevant Government depart-  
23 ment or agency that took such actions against the institu-  
24 tion.

1 (c) RULE OF CONSTRUCTION.—Nothing in this Act  
2 shall be construed to reduce or impair any existing author-  
3 ity with respect to enforcement actions taken by an appro-  
4 priate Federal banking agency. Furthermore, a violation  
5 of Federal consumer protection law or a pattern or prac-  
6 tice of violations of Federal consumer protection laws by  
7 an institution shall not be deemed insufficient grounds for  
8 the appropriate Federal banking agency to take any en-  
9 forcement action, including those referenced in this Act,  
10 if it deems necessary and is otherwise authorized to take.

11 **TITLE I—CONGRESSIONAL MAN-**  
12 **DATE TO REVIEW AND WIND**  
13 **DOWN MEGABANKS THAT**  
14 **CONTINUOUSLY ABUSE CON-**  
15 **SUMERS AND REPEATEDLY**  
16 **VIOLATE THE LAW**

17 **SEC. 101. INITIATE PROCEEDINGS TO REVOKE CHARTER.**

18 (a) IN GENERAL.—

19 (1) REVOCATION OF CHARTER.—The Comp-  
20 troller shall review and determine, after consulting  
21 with the Director of the Consumer Bureau, within  
22 90 days of enactment of this Act whether a national  
23 bank or Federal savings association affiliated with a  
24 global systemically important bank holding company,  
25 or the branch, representative office, or agency of a

1 foreign bank that is Federally licensed and affiliated  
2 with a global systemically important bank holding  
3 company, is engaging or has engaged in a pattern or  
4 practice of unsafe or unsound banking practices and  
5 other violations related to consumer harm. Not later  
6 than 120 days after the date of enactment of this  
7 Act, the Comptroller shall provide written notice to  
8 the Committee on Financial Services of the House of  
9 Representatives and the Committee on Banking,  
10 Housing, and Urban Affairs of the Senate describing  
11 the review, listing any identified institution with a  
12 detailed basis for the determination, and, subject to  
13 subsection (d), immediately initiate proceedings to  
14 terminate the Federal charter of any such institution  
15 or appoint a receiver for any such institution, pursu-  
16 ant to title LXII of the Revised Statutes of the  
17 United States, the National Bank Receivership Act  
18 (12 U.S.C. 191 et seq.), or the Home Owners' Loan  
19 Act (12 U.S.C. 1461 et seq.).

20 (2) TERMINATION OF FEDERAL DEPOSIT IN-  
21 SURANCE.—The Corporation shall review and deter-  
22 mine, after consulting with the Director of the Con-  
23 sumer Bureau, within 90 days of enactment of this  
24 Act, whether an insured depository institution affili-  
25 ated with a global systemically important bank hold-

1       ing company has engaged or is engaging in a pat-  
2       tern or practice of unsafe or unsound banking prac-  
3       tices and other violations related to consumer harm.  
4       Not later than 120 days after the date of enactment  
5       of this Act, the Corporation shall provide written no-  
6       tice to the Committee on Financial Services of the  
7       House of Representatives and the Committee on  
8       Banking, Housing, and Urban Affairs of the Senate  
9       describing the review, listing any identified institu-  
10      tion with a detailed basis for the determination and,  
11      subject to subsection (d), immediately initiate an in-  
12      voluntary termination of the deposit insurance of the  
13      depository institution under and subject to the pro-  
14      cedures set forth in section 8(a) of the Federal De-  
15      posit Insurance Act (12 U.S.C. 1818(a)).

16           (3) TERMINATION OF FEDERAL RESERVE MEM-  
17      BERSHIP OF A STATE MEMBER BANK.—The Board  
18      of Governors shall review and determine, after con-  
19      sulting with the Director of the Consumer Bureau,  
20      within 90 days of enactment of this Act, whether a  
21      State member bank affiliated with a global system-  
22      ically important bank holding company is engaging  
23      or has engaged in a pattern or practice of unsafe or  
24      unsound banking practices and other violations re-  
25      lated to consumer harm. Not later than 120 days

1 after the date of enactment of this Act, the Board  
2 of Governors shall provide written notice to the  
3 Committee on Financial Services of the House of  
4 Representatives and the Committee on Banking,  
5 Housing, and Urban Affairs of the Senate describing  
6 the review, listing any identified institution with a  
7 detailed basis for the determination and, subject to  
8 subsection (d), immediately initiate proceedings to  
9 terminate such bank's membership in the Federal  
10 Reserve System pursuant to the Federal Reserve Act  
11 (12 U.S.C. 221 et seq.).

12 (4) TERMINATION OF U.S. ACTIVITIES BY FOR-  
13 EIGN BANK.—The Board of Governors shall review  
14 and determine, after consulting with the Director of  
15 the Consumer Bureau, within 90 days of enactment  
16 of this Act whether—

17 (A) a foreign bank affiliated with a global  
18 systemically important bank holding company  
19 that has a State-licensed branch, agency, com-  
20 mercial lending company, or representative of-  
21 fice is engaging or has engaged in a pattern or  
22 practice of unsafe or unsound banking practices  
23 and other violations related to consumer harm.  
24 Not later than 120 days after the date of enact-  
25 ment of this Act, the Board of Governors shall

1 provide written notice to the Committee on Fi-  
2 nancial Services of the House of Representa-  
3 tives and the Committee on Banking, Housing,  
4 and Urban Affairs of the Senate describing the  
5 review, listing any identified foreign bank with  
6 a detailed basis for the determination and, sub-  
7 ject to subsection (d), immediately initiate pro-  
8 ceedings to terminate the foreign bank's ability  
9 to operate in the United States pursuant to sec-  
10 tion 7(e) of the International Banking Act of  
11 1978 (12 U.S.C. 3105(e)); or

12 (B) a Federal branch or Federal agency of  
13 a foreign bank affiliated with a global system-  
14 ically important bank holding company that is  
15 engaging or has engaged in a pattern or prac-  
16 tice of unsafe or unsound banking practices and  
17 other violations related to consumer harm. Not  
18 later than 120 days after the date of enactment  
19 of this Act, the Board of Governors shall pro-  
20 vide written notice to the Committee on Finan-  
21 cial Services of the House of Representatives  
22 and the Committee on Banking, Housing, and  
23 Urban Affairs of the Senate describing the re-  
24 view, listing any identified institution with a de-  
25 tailed basis for the determination and transmit

1           within 24 hours to the Comptroller a rec-  
2           ommendation that the license of the Federal  
3           branch or Federal agency be terminated pursu-  
4           ant to section 4(i) of the International Banking  
5           Act of 1978 (12 U.S.C. 3102(i)).

6           (b) MANDATORY TESTIMONY.—The Federal pruden-  
7           tial banking agencies shall testify before the Committee  
8           on Financial Services of the House of Representatives and  
9           the Committee on Banking, Housing, and Urban Affairs  
10          of the Senate regarding the review required by this section  
11          no later than 180 days after the date of enactment of this  
12          Act.

13          (c) COORDINATED AND UNIMPEDED ACTION.—Each  
14          Federal prudential banking agency shall coordinate and  
15          share all relevant information with other Federal pruden-  
16          tial banking agencies in carrying out this section. To the  
17          extent the same institution is identified by multiple Fed-  
18          eral prudential banking agencies under this section, the  
19          appropriate Federal banking agency shall not delay or oth-  
20          erwise cease taking any action required by this Act with  
21          respect to the institution.

22          (d) JUDICIAL REVIEW.—A determination by the  
23          Comptroller, the Board of Governors, or the Corporation  
24          under subsection (a) shall be subject to review by a Fed-  
25          eral district court of competent jurisdiction under the pro-

1 cedures provided for under section 8(h) of the Federal De-  
2 posit Insurance Act (12 U.S.C. 1818(h)).

3 (e) REMOVAL OF DIRECTORS AND SENIOR OFFI-  
4 CERS.—If the Comptroller, the Board of Governors, or the  
5 Corporation, as applicable, makes a determination to ini-  
6 tiate proceedings to terminate a Federal charter for a na-  
7 tional bank, Federal savings association, or branch, agen-  
8 cy, commercial lending company, or representative office  
9 of a foreign bank under this section, or makes a deter-  
10 mination to initiate an involuntary termination of the de-  
11 posit insurance, the Comptroller, the Board the Gov-  
12 ernors, or the Corporation, as applicable, shall notify the  
13 institution that removal is required of any director or sen-  
14 ior officers responsible, as determined by the appropriate  
15 Federal banking agency, for overseeing any division of the  
16 institution during the time that the institution was engag-  
17 ing in the identified pattern or practice of unsafe or un-  
18 sound banking practices, pursuant to section 8(e) of the  
19 Federal Deposit Insurance Act (12 U.S.C. 1818(e)). Any  
20 current and former directors and senior officers deter-  
21 mined responsible by the appropriate Federal banking  
22 agency for overseeing any division of an institution during  
23 the time that the institution was found to be engaging in  
24 the pattern or practice of unsafe or unsound banking prac-  
25 tices under this title shall also be permanently banned

1 from working as an employee, officer, or director of any  
2 other banking organization, pursuant to section 8(e) of the  
3 Federal Deposit Insurance Act (12 U.S.C. 1818(e)).

4 **SEC. 102. RECEIVERSHIP AND LIMITATION ON TRANSFER**  
5 **OF ASSETS.**

6 (a) NOTICE TO FDIC.—The Comptroller and the  
7 Board of Governors shall notify within 24 hours the Cor-  
8 poration of any determination made under section 101.

9 (b) TERMINATION OF FEDERAL DEPOSIT INSURANCE  
10 BASED ON REVOCATION OF FEDERAL BANKING CHAR-  
11 TER.—For any insured depository institution identified by  
12 the Corporation under section 101, or upon being notified  
13 of the termination of a national bank or Federal savings  
14 association's Federal charter or termination of a Federal  
15 license for an insured branch or agency of a bank under  
16 subsection (a), the Corporation shall—

17 (1) initiate an involuntary termination of the  
18 deposit insurance of the institution under section 8  
19 of the Federal Deposit Insurance Act (12 U.S.C.  
20 1818); and

21 (2) place the institution into receivership, with  
22 the Corporation acting as the receiver, pursuant to  
23 the procedures provided under section 11(c) of the  
24 Federal Deposit Insurance Act (12 U.S.C. 1821(c)).

1           (c) LIMITATION ON TRANSFER OF ASSETS.—In its  
2 capacity as receiver of a national bank, Federal savings  
3 association, or branch, agency, commercial lending com-  
4 pany, or representative office of a foreign bank under this  
5 section, the Corporation may transfer any assets of the  
6 institution only to banking organizations that were as-  
7 signed a rating of “satisfactory record of meeting commu-  
8 nity credit needs” or better for complying with the Com-  
9 munity Reinvestment Act of 1977 in their most recent  
10 evaluation, and may not transfer any assets of the institu-  
11 tion to either—

12           (1) a global systemically important bank hold-  
13           ing company, or any subsidiary of such a bank hold-  
14           ing company; or

15           (2) a banking organization that has exhibited  
16           substantial non-compliance with Federal consumer  
17           protection laws as evidenced by any public enforce-  
18           ment actions, targeted supervisory exams, or a rat-  
19           ing of less than “satisfactory” on its most recent  
20           consumer compliance examination.

21           (d) CONSULTATION.—When acting in the capacity of  
22 a receiver pursuant to subsection (b), the Corporation  
23 shall consult with the Office of Minority and Women In-  
24 clusion of the Corporation.

1 **TITLE II—CLARIFYING FEDERAL**  
2 **CHARTERS MUST BE TERMI-**  
3 **NATED FOR INSTITUTIONS**  
4 **THAT ENGAGE IN A PATTERN**  
5 **OR PRACTICE OF VIOLATIONS**  
6 **OF FEDERAL CONSUMER**  
7 **PROTECTION LAWS OR REGU-**  
8 **LATIONS**

9 **SEC. 201. PATTERN OR PRACTICE OF VIOLATIONS OF FED-**  
10 **ERAL CONSUMER PROTECTION LAWS.**

11 (a) DETERMINATION.—

12 (1) COMPTROLLER.—The Comptroller shall reg-  
13 ularly review and determine, in consultation with the  
14 Director of the Consumer Bureau, whether a na-  
15 tional bank or Federal savings association affiliated  
16 with a global systemically important bank holding  
17 company, or a federally licensed branch, agency,  
18 commercial lending company, or representative office  
19 of any foreign bank affiliated with a global system-  
20 ically important bank holding company is dem-  
21 onstrating a pattern or practice of violations of Fed-  
22 eral consumer protection laws. Upon such a deter-  
23 mination, the Comptroller shall provide a written,  
24 confidential notice within 7 days to the other Fed-  
25 eral prudential banking agencies, Committee on Fi-

1       nancial Services of the House of Representatives,  
2       and the Committee on Banking, Housing, and  
3       Urban Affairs of the Senate describing the review  
4       and any identified institution and, in consultation  
5       with the Director of the Consumer Bureau, imme-  
6       diately initiate additional enforcement actions or  
7       proceedings to either appoint a receiver or terminate  
8       the Federal charter of such institution, pursuant to  
9       subsection (c).

10           (2) BOARD OF GOVERNORS.—The Board of  
11       Governors shall regularly review and determine, in  
12       consultation with the Director of the Consumer Bu-  
13       reau, whether a State member bank affiliated with  
14       a global systemically important bank holding com-  
15       pany or State-chartered branch, agency, or rep-  
16       resentative office of a foreign bank affiliated with a  
17       global systemically important bank holding company  
18       is demonstrating a pattern or practice of violations  
19       of Federal consumer protection laws. Upon such a  
20       determination, the Board of Governors shall provide  
21       a written, confidential notice within 7 days to the  
22       other Federal prudential banking agencies, to the  
23       Committee on Financial Services of the House of  
24       Representatives, and the Committee on Banking,  
25       Housing, and Urban Affairs of the Senate describing

1 the review and any identified institution and, in con-  
2 sultation with the Director of the Consumer Bureau,  
3 immediately initiate additional enforcement actions  
4 or proceedings to terminate the bank's membership  
5 in the Federal Reserve System or the foreign bank's  
6 activities in the United States, as applicable, pursu-  
7 ant to subsection (c).

8 (3) CORPORATION.—The Corporation shall reg-  
9 ularly review and determine, in consultation with the  
10 Director of the Consumer Bureau, whether an in-  
11 sured depository institution affiliated with a global  
12 systemically important bank holding company is  
13 demonstrating a pattern or practice of violations of  
14 Federal consumer protection laws. Upon such a de-  
15 termination, the Corporation shall provide a written,  
16 confidential notice within 7 days to the other Fed-  
17 eral prudential banking agencies, the Committee on  
18 Financial Services of the House of Representatives  
19 and the Committee on Banking, Housing, and  
20 Urban Affairs of the Senate describing the review  
21 and any identified institution and, in consultation  
22 with the Director of the Consumer Bureau, imme-  
23 diately initiate additional enforcement actions or  
24 proceedings to terminate the deposit insurance of  
25 the institution, pursuant to subsection (c).

1 (b) CONSIDERATIONS.—

2 (1) IN GENERAL.—In making a determination  
3 under subsection (a) or paragraph (2), the Comp-  
4 troller, the Board of Governors, and the Corpora-  
5 tion, as applicable, shall consider whether the insti-  
6 tution's continued operations, activities, and func-  
7 tions are in the public interest, and whether the pub-  
8 lic benefits provided to consumers by the institution  
9 outweigh the harms posed by the institution, as well  
10 as whether the institution is meeting the convenience  
11 and needs of the communities served by the institu-  
12 tion.

13 (2) RECOMMENDATION BY DIRECTOR.—Upon a  
14 finding by the Director of the Consumer Bureau  
15 that a national bank, State member bank, or Fed-  
16 eral savings association affiliated with a global sys-  
17 temically important bank holding company, or a fed-  
18 erally licensed branch, agency, representative office,  
19 or commercial lending company of a foreign bank af-  
20 filiated with a global systemically important bank  
21 holding company is demonstrating a pattern or prac-  
22 tice of violations of Federal consumer protection  
23 laws, the Director of the Consumer Bureau shall,  
24 within 7 days, recommend to the Comptroller, the  
25 Board of Governors, or the Corporation that deter-

1       mination should be made under subsection (a). The  
2       Comptroller, the Board of Governors, or the Cor-  
3       poration, as applicable, shall consider such rec-  
4       ommendation and publicly respond in writing, in-  
5       cluding a detailed basis for its decision, within 90  
6       days as to whether they will follow such rec-  
7       ommendation.

8               (3) DETAILED EXPLANATION.—In making a de-  
9       termination under subsection (a), including in re-  
10      sponse to any recommendation made by the Director  
11      of the Consumer Bureau and in any written notice  
12      to the Committee on Financial Services of the House  
13      of Representatives and the Committee on Banking,  
14      Housing, and Urban Affairs of the Senate, the  
15      Comptroller, the Board of Governors, or the Cor-  
16      poration, as applicable, shall include a detailed de-  
17      scription of the review of the institution, the basis  
18      for its determination, and which of the enforcement  
19      actions or proceedings under subsection (c) that the  
20      agency has determined to take against the institu-  
21      tion.

22              (4) PUBLIC HEARINGS.—The Comptroller, the  
23      Board of Governors, or the Corporation, as applica-  
24      ble, may convene public hearings to consider facts,  
25      observations, evidence, and testimony provided by

1 any institution subject to a determination under this  
2 title as well as affected stakeholders. At least one  
3 public hearing must be granted if made at the writ-  
4 ten request of the institution subject to a determina-  
5 tion under this title, the Director of the Consumer  
6 Bureau, or by relevant State or local government  
7 agencies from at least five States.

8 (5) ANNUAL REPORT AND TESTIMONY.—Each  
9 Federal prudential banking agency shall annually  
10 submit a written report to the Committee on Finan-  
11 cial Services of the House of Representatives and  
12 the Committee on Banking, Housing, and Urban Af-  
13 fairs of the Senate describing the actions the agency  
14 has taken to carry out the requirements of this Act,  
15 including the regular review required by this section,  
16 and a list of each violation of Federal law or regula-  
17 tion that was discovered or occurred in the previous  
18 10 years for each global systemically important bank  
19 holding company, and any affiliate thereof, that is  
20 subject to the agency’s supervision. The Federal  
21 prudential banking agencies shall annually testify  
22 before the Committee on Financial Services of the  
23 House of Representatives and the Committee on  
24 Banking, Housing, and Urban Affairs of the Senate  
25 on their respective annual report.

1 (c) CONSEQUENCE OF DETERMINATION.—

2 (1) IN GENERAL.—If a determination is made  
3 under subsection (a) with respect to an institution  
4 that is demonstrating a pattern or practice of viola-  
5 tions of Federal consumer protection laws, the ap-  
6 propriate Federal banking agency, in consultation  
7 with the Director of the Consumer Bureau, shall  
8 take one or more of the following actions:

9 (A) Remove responsible senior officers or  
10 directors of the institution, and permanently  
11 ban them from working at another banking or-  
12 ganization, pursuant to section 8(e) of the Fed-  
13 eral Deposit Insurance Act (12 U.S.C.  
14 1818(e)).

15 (B) Restrict certain lines of business of the  
16 institution, pursuant to section 8(b) of the Fed-  
17 eral Deposit Insurance Act (12 U.S.C.  
18 1818(b)).

19 (C) Initiate proceedings to terminate the  
20 Federal charter of the institution, terminate a  
21 foreign bank's ability to operate in the United  
22 States, or appoint a receiver pursuant to either  
23 title LXII of the Revised Statutes of the United  
24 States, the National Bank Receivership Act (12  
25 U.S.C. 191 et seq.), or the Home Owners' Loan

1 Act (12 U.S.C. 1461 et seq.), with the identi-  
2 fied pattern or practice of violations of Federal  
3 consumer protection laws deemed as grounds  
4 for appointing a conservator or receiver under  
5 the Federal Deposit Insurance Act or termi-  
6 nating deposit insurance pursuant to section  
7 8(a) of the Federal Deposit Insurance Act (12  
8 U.S.C. 1818(a)).

9 (2) RECOMMENDATION BY DIRECTOR.—If a de-  
10 termination is made under subsection (a) with re-  
11 spect to a national bank, Federal savings associa-  
12 tion, or federally licensed branch, agency, commer-  
13 cial lending company, or representative office of a  
14 foreign bank—

15 (A) the Director of the Consumer Bureau  
16 may recommend to the Comptroller, the Board  
17 of Governors, or the Corporation what actions  
18 should be taken under this subsection; and

19 (B) the Comptroller, the Board of Gov-  
20 ernors, or the Corporation, as applicable, shall  
21 consider such recommendation and publicly re-  
22 spond in writing within 30 days as to whether  
23 they will follow such recommendation.

24 (3) MANDATORY ENFORCEMENT ACTIONS.—If a  
25 determination is made under subsection (a), the

1 Comptroller, the Board of Governors, or the Cor-  
2 poration, as applicable, shall take at least one of the  
3 actions described under paragraph (1). If a second  
4 determination is made under subsection (a) against  
5 the same institution after enforcement actions are  
6 taken under this section, the Comptroller, the Board  
7 of Governors, or the Corporation, as applicable, shall  
8 immediately initiate proceedings to terminate a Fed-  
9 eral charter, a State member bank's membership in  
10 the Federal Reserve System, a foreign bank's ability  
11 to operate in the United States, or terminate deposit  
12 insurance.

13 (4) JUDICIAL REVIEW.—A determination under  
14 subsection (a) shall be subject to review by a Fed-  
15 eral district court of competent jurisdiction under  
16 the procedures provided for under section 8(h) of the  
17 Federal Deposit Insurance Act (12 U.S.C. 1818(h)).

18 **SEC. 202. RECEIVERSHIP AND LIMITATION ON TRANSFER**  
19 **OF ASSETS.**

20 (a) NOTICE TO FDIC.—The Comptroller and the  
21 Board of Governors shall notify within 24 hours the Cor-  
22 poration of any determination made under section 201.

23 (b) TERMINATION OF FEDERAL DEPOSIT INSURANCE  
24 BASED ON REVOCATION OF FEDERAL BANKING CHAR-  
25 TER.—For any insured depository institution identified by

1 the Corporation under section 201, or upon being notified  
2 of the termination of a national bank or Federal savings  
3 association's Federal charter or termination of a Federal  
4 license for an insured branch or agency of a bank under  
5 subsection (a), the Corporation shall—

6 (1) initiate an involuntary termination of the  
7 deposit insurance of the institution under section 8  
8 of the Federal Deposit Insurance Act (12 U.S.C.  
9 1818); and

10 (2) place the institution into receivership, with  
11 the Corporation acting as the receiver, pursuant to  
12 the procedures provided under section 11(c) of the  
13 Federal Deposit Insurance Act (12 U.S.C. 1821(c)).

14 (c) LIMITATION ON TRANSFER OF ASSETS.—In its  
15 capacity as receiver of a national bank, Federal savings  
16 association, or branch, agency, commercial lending com-  
17 pany, or representative office of a foreign bank under this  
18 section, the Corporation may transfer any assets of the  
19 institution only to a banking organization that was as-  
20 signed a rating of “satisfactory record of meeting commu-  
21 nity credit needs” or better for complying with the Com-  
22 munity Reinvestment Act of 1977 in the organization's  
23 most recent evaluation, and may not transfer any assets  
24 of the institution to either—

1 (1) a global systemically important bank hold-  
2 ing company, or any subsidiary of such a bank hold-  
3 ing company; or

4 (2) a banking organization that has exhibited  
5 substantial non-compliance with Federal consumer  
6 protection laws as evidenced by any enforcement ac-  
7 tions, targeted supervisory exams, or a rating of less  
8 than “satisfactory” on its most recent consumer  
9 compliance examination.

10 (d) CONSULTATION.—When acting in the capacity of  
11 a receiver pursuant to subsection (b), the Corporation  
12 shall consult with the Office of Minority and Women In-  
13 clusion of the Corporation.

14 **SEC. 203. ADDRESSING PETITIONS FROM STATE AND**  
15 **LOCAL GOVERNMENT AGENCIES WITH RE-**  
16 **SPECT TO VIOLATIONS OF FEDERAL CON-**  
17 **SUMER PROTECTION LAWS AND REGULA-**  
18 **TIONS.**

19 The Comptroller, the Corporation, and the Board of  
20 Governors shall—

21 (1) consider petitions from relevant State and  
22 local government agencies, including law enforce-  
23 ment and city and State attorney generals, regard-  
24 ing a pattern or practice of violations of Federal  
25 consumer protection laws by a national bank, a

1 State member bank, or a Federal savings association  
2 affiliated with a global systemically important bank  
3 holding company, or a United States branch, agency,  
4 commercial lending company, or representative office  
5 of a foreign bank affiliated with a global systemically  
6 important bank holding company, or a State deposi-  
7 tory institution affiliated with a global systemically  
8 important bank holding company, as applicable;

9 (2) for any petition from State or local govern-  
10 ment agencies from at least five States, provide a  
11 written response within 180 days after receiving  
12 such a petition whether or not a determination is  
13 made under this title, including a detailed basis for  
14 the determination; and

15 (3) for any written response under paragraph  
16 (2), send a copy of the written response to the Com-  
17 mittee on Financial Services of the House of Rep-  
18 resentatives and the Committee on Banking, Hous-  
19 ing, and Urban Affairs of the Senate.

1 **TITLE III—DETERRENCE AND**  
2 **EXECUTIVE ACCOUNTABILITY**  
3 **TO CURB CONSUMER ABUSES**

4 **SEC. 301. ANNUAL CERTIFICATION BY EXECUTIVE OFFI-**  
5 **CERS AND DIRECTORS OF THE BOARD.**

6 (a) IN GENERAL.—Each executive officer and direc-  
7 tor of the board of a national bank or a Federal savings  
8 association affiliated with a global systemically important  
9 bank holding company, or the branch, representative of-  
10 fice, or agency of a foreign bank that is federally licensed  
11 and affiliated with a global systemically important bank  
12 holding company shall certify and submit a written attes-  
13 tation, at least on an annual basis to the appropriate Fed-  
14 eral banking agency, the Consumer Bureau, and any rel-  
15 evant Federal law enforcement agency that they have reg-  
16 ularly reviewed the institution’s lines of business and con-  
17 ducted due diligence to ensure that—

18 (1) the institution has established and main-  
19 tained internal risk controls to identify significant  
20 deficiencies and weaknesses in its compliance with  
21 all applicable Federal consumer protection laws;

22 (2) the institution has promptly disclosed all  
23 known violations of applicable Federal consumer  
24 protection laws to the Consumer Bureau and the ap-  
25 propriate Federal banking agency;

1           (3) the institution is taking all reasonable steps  
2           to correct any identified deficiencies and weaknesses  
3           in its compliance with all applicable Federal con-  
4           sumer protection laws based on a review of all regu-  
5           latory examination results received in prior years;  
6           and

7           (4) the institution is in substantial compliance  
8           with all applicable Federal consumer protection laws.

9           (b) GUIDANCE.—The Consumer Bureau, in consulta-  
10          tion with the relevant Federal and State regulator and law  
11          enforcement agencies, shall issue final guidance on the  
12          content, form, and method of delivery of the annual certifi-  
13          cation required under subsection (a) within 6 months of  
14          the date of the enactment of this Act.

15          (c) CRIMINAL PENALTIES.—Any individual who cer-  
16          tifies and submits an attestation described under sub-  
17          section (a) that contains a false statement—

18               (1) if done knowingly, shall be fined not more  
19               than \$1,000,000 or imprisoned not more than 10  
20               years, or both; or

21               (2) if done intentionally, shall be fined not more  
22               than \$5,000,000 or imprisoned not more than 20  
23               years or both.

24          (d) PENALTIES FOR FAILURE TO COMPLY.—Any in-  
25          dividual who fails to certify and submit a required attesta-

1 tion described under subsection (a), shall be fined not  
2 more than \$1,000,000 or imprisoned not more than 10  
3 years or both.

4 **SEC. 302. PERSONAL LIABILITY OF EXECUTIVE OFFICERS**  
5 **AND DIRECTORS OF THE BOARD FOR FED-**  
6 **ERAL CONSUMER PROTECTION LAW VIOLA-**  
7 **TIONS.**

8 (a) CIVIL LIABILITY.—

9 (1) IN GENERAL.—If an executive officer or di-  
10 rector of the board of a national bank, Federal sav-  
11 ings association, or federally-insured State deposi-  
12 tory institution affiliated with a global systemically  
13 important bank holding company, or United States  
14 branch, agency, commercial lending company, or  
15 representative office of a foreign bank affiliated with  
16 a global systemically important bank holding com-  
17 pany, knowingly violates any Federal consumer pro-  
18 tection law (or directs any of the agents, officers, or  
19 directors of the institution to so violate or engage),  
20 such executive officer or director shall be liable in  
21 their personal and individual capacity for damages  
22 which the institution or any other person shall have  
23 sustained in consequence of such violation or en-  
24 gagement. Any fines under this subsection shall not  
25 be deemed to limit the relevant Federal regulator or

1 law enforcement entity's authority to impose civil  
2 penalties, fines, or other appropriate consumer re-  
3 dress on the institution.

4 (2) LIMITATION ON ACTIONS.—Except as other-  
5 wise provided by law, a civil action arising under  
6 this section may not be commenced after the later  
7 of—

8 (A) 2 years after the discovery of the facts  
9 constituting the violation; or

10 (B) 5 years after such violation.

11 (b) CRIMINAL LIABILITY.—Any executive officer or  
12 director of the board who knowingly causes a national  
13 bank, Federal savings association, or federally-insured  
14 State depository institution affiliated with a global system-  
15 ically important bank holding company, or United States  
16 branch, agency, or representative office of a foreign bank  
17 affiliated with a global systemically important bank hold-  
18 ing company to violate any Federal consumer protection  
19 law (or who directs another agent, senior officer, or direc-  
20 tor of the institution to commit such a violation or engage  
21 in such acts that result in the director or officer being  
22 personally unjustly enriched and the institution being con-  
23 ducted in an unsafe and unsound manner) shall be—

24 (1) fined in an amount not to exceed 100 per-  
25 cent of the compensation (including stock options

1 awarded as compensation) received by such officer  
2 or director from the institution—

3 (A) during the time period in which the  
4 violations occurred; or

5 (B) in the one to three year time period  
6 preceding the date on which the violations were  
7 discovered; and

8 (2) imprisoned for not more than 5 years.

9 (c) TERMINATION OF EMPLOYMENT AND LIFETIME  
10 BAN.—If an executive officer or director of the board of  
11 a national bank, Federal savings association, or federally-  
12 insured State depository institution affiliated with a global  
13 systemically important bank holding company, or United  
14 States branch, agency, commercial lending company, or  
15 representative office of a foreign bank affiliated with a  
16 global systemically important bank holding company com-  
17 mits a violation or engages in an act described under sub-  
18 section (a) or is convicted of a violation or of engaging  
19 in an act described under subsection (b), the Comptroller,  
20 the Corporation, or the Board of Governors, as applicable,  
21 shall notify within 24 hours the institution that such exec-  
22 utive, director, or senior officer must be terminated from  
23 their position with the institution and be permanently pro-  
24 hibited from engaging in the operation and management  
25 of any other federally-chartered or federally-insured bank-

1 ing organization, pursuant to section 8(e) of the Federal  
2 Deposit Insurance Act (12 U.S.C. 1818(e)).

### 3 **TITLE IV—REPORTS**

#### 4 **SEC. 401. REPORTS TO CONGRESS.**

5 The Board of Governors, the Comptroller, the Con-  
6 sumer Bureau, and the Corporation shall each submit an  
7 annual report to the Congress containing a description of  
8 actions taken to carry out this Act.

#### 9 **SEC. 402. REPORTS BY THE OFFICES OF MINORITY AND** 10 **WOMEN INCLUSION.**

11 The Office of Minority and Women Inclusion of the  
12 Board of Governors, the Comptroller, the Consumer Bu-  
13 reau, and the Corporation shall each include, in the annual  
14 report required under section 342(e) of the Dodd-Frank  
15 Wall Street Reform and Consumer Protection Act (12  
16 U.S.C. 5452(e)), a description of—

17 (1) how the duties of the Office have been car-  
18 ried out with respect to the requirements of this Act;  
19 and

20 (2) with respect to the Office of the Corpora-  
21 tion, how the Office has carried out the consulta-  
22 tions required under this Act.