



# Banking Legislation in the 118<sup>th</sup> Congress

June 13, 2024

This Insight outlines the banking and credit union bills that have seen committee or floor action in the 118<sup>th</sup> Congress and provides links to other CRS resources. It does not cover bills that indirectly affect banks, such as bills that affect the treatment of certain loans made by banks and nonbank financial institutions.

## Bills That Passed the House or Senate

H.R. 582 passed the House on January 30, 2023. Under the bill, new or poorly rated credit unions would need to hold monthly board meetings, whereas established healthy credit unions would need to hold six meetings a year, with one in each fiscal quarter. (Currently, monthly meetings are required for all credit unions.) See CRS In Focus IF11713, *Introduction to Financial Services: Credit Unions*.

H.R. 4763, popularly known as FIT 21, passed the House on May 21, 2024. It would create a regulatory framework for digital assets (e.g., cryptocurrencies) and would allow banks, credit unions, and other financial firms to custody digital assets. See CRS Insight IN12223, *An Overview of H.R. 4763, Financial Innovation and Technology for the 21st Century Act*.

H.J.Res. 109 was vetoed by the President on May 31, 2024. Under the [Congressional Review Act \(CRA\)](#), H.J.Res. 109 would rescind the [Securities and Exchange Commission's Staff Accounting Bulletin 121](#), which requires crypto platform operators to include customer funds on their balance sheets. Banks generally do not operate crypto platforms. However, banks that provide custody services to clients with cryptocurrency may be affected. See CRS Insight IN12358, *Potential Disapproval of SEC Staff Accounting Bulletin No. 121 Under the Congressional Review Act*.

S.J.Res. 32 was vetoed by the President. The Senate failed to override the veto on January 10, 2024. Under the CRA, the resolution would have rescinded the Consumer Financial Protection Bureau's (CFPB's) [rule](#) implementing Section 1071 of the Dodd-Frank Act (P.L. 111-203). The rule requires covered financial institutions engaged in small business lending, including banks and credit unions, to report on applications for credit. See CRS Report R47788, *Section 1071: Small Business Lending Data Collection and Reporting*, coordinated by Darryl E. Getter.

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IN12376

## Bills That Saw Committee Action

### House Financial Services Committee

H.J.Res. 122 was ordered to be reported on April 17, 2024. Under the CRA, the resolution would rescind the CFPB's credit card late fee rule, which effectively [lowers the late fee](#) a credit card company can charge to \$8. For more information, see CRS Insight IN12146, *CFPB Proposes New Credit Card Late Fee Regulation*.

H.J.Res. 124, H.J.Res. 125, and H.J.Res. 126 were ordered to be reported on April 17, 2024. Under the CRA, the resolutions would rescind [guidance](#) issued by the banking regulators on banks' climate-related financial risk management. Click [here](#) for a CRS discussion of climate change and bank regulation.

H.R. 758 was ordered to be reported as an [amendment in the nature of a substitute](#) on May 16, 2024. It would allow de novo (new) banks that meet certain criteria a three-year period to comply with the Community Bank Leverage Ratio, a simplified elective capital standard for eligible banks with less than \$10 billion in assets. See CRS Report R45989, *Community Bank Leverage Ratio (CBLR): Background and Analysis of Bank Data*.

H.R. 1165 was ordered to be reported as an [amendment in the nature of a substitute](#) on February 28, 2023. The bill would amend data privacy requirements for financial institutions, expanding the application of protections to the collection of information. See CRS Report R47434, *Banking, Data Privacy, and Cybersecurity Regulation*.

H.R. 4206 was ordered to be reported as an [amendment in the nature of a substitute](#) on April 17, 2024. For banks with over \$100 billion in assets, the bill would increase a bank's capital levels when it has unrealized capital gains and reduce it when it has losses. This is similar to a requirement included in the "Basel III Endgame" proposal. Unrealized losses played a role in [the failure of Silicon Valley Bank in 2023](#). See CRS Insight IN12231, *Banks' Unrealized Losses, Part I: New Treatment in the "Basel III Endgame" Proposal*.

H.R. 4766 was reported as amended on May 7, 2024. It would create a regulatory framework for payment stablecoins (digital assets issued for payment and redeemable at a predetermined fixed amount), including bank-issued stablecoins. See CRS Insight IN12249, *An Overview of H.R. 4766, Clarity for Payment Stablecoins Act*.

H.R. 8337 was ordered to be reported as an [amendment in the nature of a substitute](#) on May 16, 2024. It would, among other things, provide regulatory relief to banks by raising various exemption thresholds, expediting merger decisions, and providing a more independent supervisory appeals process. It would also require annual stress testing be subject to notice and comment rulemaking. See CRS In Focus IF12678, *Bank Resilience and Regulatory Improvement Act (H.R. 8337)*.

H.R. 8338 was ordered to be reported as an [amendment in the nature of a substitute](#) on May 16, 2024. It would, among other things, provide a legal [safe harbor](#) to banks and credit unions that make qualifying small-dollar loans, including certain installment loans and lines of credit. It also phases in the small business lending reporting rule (see above) over five years. See CRS Report R44868, *Short-Term, Small-Dollar Lending: Policy Issues and Implications*.

### Senate Banking, Housing, and Urban Affairs Committee

S. 2190 was reported on June 22, 2023. It would allow bank regulators to recover bonus compensation and profits from securities sales from senior executives who are responsible for the failure of a bank with over \$10 billion in assets. It would also require banks to create governance and accountability standards

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and raise the cap on civil penalties for related violations of law. For more information, see CRS Legal Sidebar LSB10946, *Silicon Valley Bank's Failure and Potential Director/Officer Liability*.

S. 2860 was reported as amended on September 28, 2023. It would provide safe harbor from supervisory action by federal regulators for banks that provide services to state-sanctioned marijuana businesses. For more information, see CRS Legal Sidebar LSB11076, *Marijuana Banking: Legal Issues and the SAFE(R) Banking Acts*.

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