

117TH CONGRESS  
1ST SESSION

# H. R. 766

To require the Federal financial institutions regulatory agencies to take risk profiles and business models of institutions into account when taking regulatory actions, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 2021

Mr. LOUDERMILK (for himself, Mr. POSEY, Mr. BARR, Mr. WILLIAMS of Texas, Mr. HILL, Mr. ZELDIN, Mr. BUDD, Mr. KUSTOFF, Mr. HOLLINGSWORTH, Mr. ROSE, Mr. STEIL, and Mrs. WAGNER) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To require the Federal financial institutions regulatory agencies to take risk profiles and business models of institutions into account when taking regulatory actions, 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,*

### 3   **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Taking Account of In-

5       stitutions with Low Operation Risk Act” or the “TAILOR

6       Act”.

1 **SEC. 2. REGULATIONS APPROPRIATE TO BUSINESS MOD-**  
2 **ELS.**

3 (a) IN GENERAL.—For any regulatory action occur-  
4 ring after the date of the enactment of this Act, each Fed-  
5 eral financial institutions regulatory agency shall—

6 (1) take into consideration the risk profile and  
7 business models of each type of institution or class  
8 of institutions subject to the regulatory action;

9 (2) determine the necessity, appropriateness,  
10 and impact of applying such regulatory action to  
11 such institutions or classes of institutions; and

12 (3) tailor such regulatory action in a manner  
13 that limits the regulatory compliance impact, cost, li-  
14 ability risk, and other burdens, as appropriate, for  
15 the risk profile and business model of the institution  
16 or class of institutions involved.

17 (b) OTHER CONSIDERATIONS.—In carrying out the  
18 requirements of subsection (a), each Federal financial in-  
19 stitutions regulatory agency shall consider—

20 (1) the impact that such regulatory action, both  
21 by itself and in conjunction with the aggregate effect  
22 of other regulations, has on the ability of the appli-  
23 cable institution or class of institutions to serve  
24 evolving and diverse customer needs;

25 (2) the potential impact of examination manu-  
26 als, regulatory actions taken with respect to third-

1 party service providers, or other regulatory directives  
2 that may be in conflict or inconsistent with the tai-  
3 loring of such regulatory action described in sub-  
4 section (a)(3); and

5 (3) the underlying policy objectives of the regu-  
6 latory action and statutory scheme involved.

7 (c) NOTICE OF PROPOSED AND FINAL RULE-  
8 MAKING.—Each Federal financial institutions regulatory  
9 agency shall disclose in every notice of proposed rule-  
10 making and in any final rulemaking for a regulatory ac-  
11 tion how the agency has applied subsections (a) and (b).

12 (d) REPORTS TO CONGRESS.—

13 (1) INDIVIDUAL AGENCY REPORTS.—

14 (A) IN GENERAL.—Not later than 1 year  
15 after the date of the enactment of this Act and  
16 annually thereafter, each Federal financial in-  
17 stitutions regulatory agency shall report to the  
18 Committee on Financial Services of the House  
19 of Representatives and the Committee on Bank-  
20 ing, Housing, and Urban Affairs of the Senate  
21 on the specific actions taken to tailor the regu-  
22 latory actions of the agency pursuant to the re-  
23 quirements of this Act.

24 (B) APPEARANCE BEFORE THE COMMIT-  
25 TEES.—The head of each Federal financial in-

stitution regulatory agency shall appear before the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate after each report is made pursuant to subparagraph (A) to testify on the contents of such report.

(2) FIEC REPORTS.—

(A) IN GENERAL.—Not later than 3 months after each report is submitted under paragraph (1), the Financial Institutions Examination Council shall report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on—

(i) the extent to which regulatory actions tailored pursuant to this Act result in different treatment of similarly situated institutions of diverse charter types; and

(ii) the reasons for such differential treatment.

(B) APPEARANCE BEFORE THE COMMITTEES.—The Chairman of the Financial Institutions Examination Council shall appear before

1 the Committee on Financial Services of the  
2 House of Representatives and the Committee  
3 on Banking, Housing, and Urban Affairs of the  
4 Senate after each report is made pursuant to  
5 subparagraph (A) to testify on the contents of  
6 such report.

7 (e) LIMITED LOOK-BACK APPLICATION.—

8 (1) IN GENERAL.—Each Federal financial insti-  
9 tutions regulatory agency shall conduct a review of  
10 all regulations adopted during the period beginning  
11 on the date that is seven years before the date of the  
12 introduction of this Act in the House of Representa-  
13 tives and ending on the date of the enactment of  
14 this Act, and apply the requirements of this Act to  
15 such regulations.

16 (2) REVISION.—If the application of the re-  
17 quirements of this Act to any such regulation re-  
18 quires such regulation to be revised, the applicable  
19 Federal financial institutions regulatory agency shall  
20 revise such regulation within 3 years of the enact-  
21 ment of this Act.

22 (f) DEFINITIONS.—In this Act, the following defini-  
23 tions shall apply:

24 (1) FEDERAL FINANCIAL INSTITUTIONS REGU-  
25 LATORY AGENCIES.—The term “Federal financial in-

1       stitutions regulatory agencies” means the Office of  
2       the Comptroller of the Currency, the Board of Gov-  
3       ernors of the Federal Reserve System, the Federal  
4       Deposit Insurance Corporation, the National Credit  
5       Union Administration, and the Bureau of Consumer  
6       Financial Protection.

7               (2) REGULATORY ACTION.—The term “regu-  
8       latory action” means any proposed, interim, or final  
9       rule or regulation, guidance, or published interpreta-  
10      tion.

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