

116TH CONGRESS
1ST SESSION

S. _____

To amend certain banking laws to establish requirements for bank mergers,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To amend certain banking laws to establish requirements
for bank mergers, 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; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Bank Merger Review Modernization Act of 2019”.

6 (b) **TABLE OF CONTENTS.**—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Compliance with federal consumer financial laws.
- Sec. 3. Cost-benefit analysis for merger transactions.
- Sec. 4. Community Reinvestment Act performance.
- Sec. 5. Financial stability considerations for merger transactions.
- Sec. 6. Financial criteria for certain merger transactions.
- Sec. 7. Managerial criteria for certain merger transactions.

Sec. 8. Competitive effects.
Sec. 9. Transparency in merger review.
Sec. 10. Financial stability exception.
Sec. 11. Citizen standing.

1 **SEC. 2. COMPLIANCE WITH FEDERAL CONSUMER FINAN-**
2 **CIAL LAWS.**

3 (a) APPLICATION FOR MERGERS OR ACQUISI-
4 TIONS.—

5 (1) IN GENERAL.—Not later than 180 days
6 after the date of the enactment of this Act, the Di-
7 rector of the Bureau of Consumer Financial Protec-
8 tion shall establish procedures for a covered appli-
9 cant to submit an application to directly or indirectly
10 merge with, or directly or indirectly acquire, a per-
11 son that offers or provides consumer financial prod-
12 ucts or services (as defined in section 1002 of the
13 Consumer Financial Protection Act of 2010 (12
14 U.S.C. 5481(14))).

15 (2) PUBLIC COMMENT.—The Director shall
16 allow a period of at least 30 days for public com-
17 ment on applications submitted under paragraph
18 (1).

19 (b) PROHIBITION.—It shall be unlawful for a covered
20 applicant to directly or indirectly merge with, or directly
21 or indirectly acquire, a person that offers or provides con-
22 sumer financial products or services (as defined in section
23 1002 of the Consumer Financial Protection Act of 2010

1 (12 U.S.C. 5481(14))) without the prior written approval
2 of the Director.

3 (c) CONSIDERATIONS.—In considering an application
4 under subsection (a), the Director shall—

5 (1) consider the records of the covered appli-
6 cant and the person with respect to compliance with
7 the Federal consumer financial laws; and

8 (2) deny such application if the resulting insti-
9 tution would not have adequate systems in place to
10 ensure compliance with the Federal consumer finan-
11 cial laws.

12 (d) COVERED APPLICANT DEFINED.—In this section,
13 the term “covered applicant” means an insured depository
14 institution (as defined in section 3 of the Federal Deposit
15 Insurance Act (12 U.S.C. 1813)) or a depository institu-
16 tion holding company (as defined in such section) with
17 more than \$10,000,000,000 in total assets.

18 **SEC. 3. COST-BENEFIT ANALYSIS FOR MERGER TRANS-**
19 **ACTIONS.**

20 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
21 18(c) of the Federal Deposit Insurance Act (12 U.S.C.
22 1828(c)) is amended by adding at the end the following
23 new paragraph:

24 “(14) ANALYSIS OF COSTS AND BENEFITS.—

1 “(A) IN GENERAL.—The responsible agen-
2 cy shall not approve any proposed merger
3 transaction under this subsection unless the re-
4 sponsible agency determines that the public
5 benefits of the merger transaction outweigh the
6 expected costs.

7 “(B) EVALUATION.—In evaluating the ex-
8 pected costs of the proposed merger transaction
9 under subparagraph (A), the responsible agency
10 shall consider—

11 “(i) the probable effect of the pro-
12 posed merger transaction on the cost and
13 availability of financial products and serv-
14 ices;

15 “(ii) the probable effect of branch clo-
16 sures on customers of each bank or savings
17 association involved in the proposed merger
18 transaction;

19 “(iii) the probable effect of the pro-
20 posed merger transaction on relevant local
21 economies, including employment losses re-
22 lating to branch closures and impacts on
23 job quality; and

24 “(iv) any other cost of the proposed
25 merger transaction that the responsible

1 agency considers pursuant to this sub-
2 section.”.

3 (b) BANK HOLDING COMPANIES.—

4 (1) PROPOSED ACQUISITIONS, MERGERS, OR
5 CONSOLIDATIONS.—Section 3(e) of the Bank Hold-
6 ing Company Act of 1956 (12 U.S.C. 1842(e)) is
7 amended by adding at the end the following new
8 paragraph:

9 “(8) ANALYSIS OF COSTS AND BENEFITS.—

10 “(A) IN GENERAL.—The Board may not
11 approve an application under this section unless
12 the Board determines that the public benefits of
13 the proposed transaction outweigh the expected
14 costs.

15 “(B) EVALUATION.—In evaluating the ex-
16 pected costs of the proposed transaction under
17 subparagraph (A), the Board shall consider—

18 “(i) the probable effect of the pro-
19 posed transaction on the cost and avail-
20 ability of financial products and services;

21 “(ii) the probable effect of branch clo-
22 sures on customers of each company in-
23 volved in the proposed transaction;

24 “(iii) the probable effect of the pro-
25 posed transaction on relevant local econo-

1 mies, including employment losses relating
2 to branch closures and impacts on job
3 quality; and

4 “(iv) any other cost of the proposed
5 transaction that the Board considers pur-
6 suant to this subsection.”.

7 (2) OTHER TRANSACTIONS OR ACTIVITIES.—
8 Section 4(j)(2) of the Bank Holding Company Act
9 of 1956 (12 U.S.C. 1843(j)(2)) is amended by add-
10 ing at the end the following new subparagraph:

11 “(D) ANALYSIS OF COSTS AND BENE-
12 FITS.—

13 “(i) IN GENERAL.—The Board shall
14 deny a notice filed pursuant to this sub-
15 section unless the Board determines that
16 the public benefits of the proposed trans-
17 action or activity described in the notice
18 outweigh the expected costs.

19 “(ii) EVALUATION.—In evaluating the
20 expected costs of the proposed transaction
21 under subparagraph (A), the Board shall
22 consider—

23 “(I) the probable effect of the
24 proposed transaction or activity on

1 the cost and availability of financial
2 products and services;

3 “(II) the probable effect of
4 branch closures on customers of each
5 company involved in the proposed
6 transaction or activity;

7 “(III) the probable effect of the
8 proposed transaction or activity on
9 relevant local economies, including
10 employment losses relating to branch
11 closures and impacts on job quality;
12 and

13 “(IV) any other cost of the pro-
14 posed transaction or activity that the
15 Board considers pursuant to this
16 paragraph.”.

17 **SEC. 4. COMMUNITY REINVESTMENT ACT PERFORMANCE.**

18 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
19 18(c) of the Federal Deposit Insurance Act (12 U.S.C.
20 1828(c)), as amended by section 3, is further amended
21 by adding at the end the following new paragraphs:

22 “(15) COMMUNITY REINVESTMENT ACT PER-
23 FORMANCE.—The responsible agency shall not ap-
24 prove a proposed merger transaction under this sec-
25 tion if the largest insured depository institution that

1 is party to such transaction, based on a comparison
2 of the average total risk-weighted assets controlled
3 by each insured depository institution that is party
4 to such transaction during the previous 12-month
5 period, has received a rating lower than ‘outstanding
6 record of meeting community credit needs’ on—

7 “(A) two out of the three most recent writ-
8 ten evaluations required under section 807 of
9 the Community Reinvestment Act of 1977 (12
10 U.S.C. 2906); or

11 “(B) if three such evaluations are not
12 available, the most recent written evaluation re-
13 quired under such section.

14 “(16) COMMUNITY BENEFITS PLAN.—

15 “(A) IN GENERAL.—In reviewing any ap-
16 plication filed under this paragraph, the respon-
17 sible agency shall require—

18 “(i) submission to the appropriate
19 Federal financial supervisory agency of a
20 community benefits plan;

21 “(ii) that the insured depository insti-
22 tution consult with community-based orga-
23 nizations and other community stake-
24 holders in developing the community bene-
25 fits plan; and

1 “(iii) a public hearing to be held if
2 any insured depository institution involved
3 in the transaction has received a ‘substan-
4 tial noncompliance in meeting community
5 credit needs’ or ‘needs to improve record of
6 meeting community credit needs’ rating in
7 any assessment area during the last exam-
8 ination of such institution conducted pur-
9 suant to the Community Reinvestment Act
10 of 1977.

11 “(B) DEFINITION.—For purposes of this
12 paragraph, ‘community benefits plan’ means a
13 plan that provides measurable goals for future
14 amounts of safe and sound loans, investments,
15 services, and other financial products for low-
16 and moderate-income communities and other
17 distressed or underserved communities.”.

18 (b) BANK HOLDING COMPANIES.—

19 (1) PROPOSED ACQUISITIONS, MERGERS, OR
20 CONSOLIDATIONS.—Section 3(e) of the Bank Hold-
21 ing Company Act of 1956 (12 U.S.C. 1842(e)), as
22 amended by section 3, is further amended by adding
23 at the end the following new paragraphs:

24 “(9) COMMUNITY REINVESTMENT ACT PER-
25 FORMANCE.—The Board shall deny an application

1 under this section if either the lead insured deposi-
2 tory institution of the applicant or the insured de-
3 pository institution that would be the lead insured
4 depository institution of the resulting company fol-
5 lowing consummation of the proposed transaction
6 has received a rating lower than ‘outstanding record
7 of meeting community credit needs’ on—

8 “(A) two out of the three most recent writ-
9 ten evaluations required under section 807 of
10 the Community Reinvestment Act of 1977 (12
11 U.S.C. 2906); or

12 “(B) if three such evaluations are not
13 available, the most recent written evaluation re-
14 quired under such section.

15 “(10) COMMUNITY BENEFITS PLAN.—

16 “(A) IN GENERAL.—In reviewing any ap-
17 plication filed under this paragraph, the Board
18 shall require—

19 “(i) submission to the appropriate
20 Federal financial supervisory agency of a
21 community benefits plan;

22 “(ii) that the company consult with
23 community-based organizations and other
24 community stakeholders in developing the
25 community benefits plan; and

1 “(iii) a public hearing to be held if
2 any bank that would be controlled by the
3 resulting company has received a ‘substan-
4 tial noncompliance in meeting community
5 credit needs’ or ‘needs to improve record of
6 meeting community credit needs’ rating in
7 any assessment area during the last exam-
8 ination of such institution conducted pur-
9 suant to the Community Reinvestment Act
10 of 1977.

11 “(B) DEFINITION.—For purposes of this
12 paragraph, ‘community benefits plan’ means a
13 plan that provides measurable goals for future
14 amounts of safe and sound loans, investments,
15 services, and other financial products for low-
16 and moderate-income communities and other
17 distressed or underserved communities.”.

18 (2) OTHER TRANSACTIONS OR ACTIVITIES.—
19 Section 4(j)(2) of the Bank Holding Company Act
20 of 1956 (12 U.S.C. 1843(j)(2)), as amended by sec-
21 tion 3, is further amended by adding at the end the
22 following new subparagraphs:

23 “(E) COMMUNITY REINVESTMENT ACT
24 PERFORMANCE.—The Board shall deny a notice
25 filed pursuant to this subsection if the lead in-

1 sured depository institution of the applicant or
2 the insured depository institution that would be
3 the lead insured depository institution of the re-
4 sulting company following consummation of the
5 proposed transaction or activity has received a
6 rating lower than ‘outstanding record of meet-
7 ing community credit needs’ on—

8 “(i) two out of the three most recent
9 written evaluations required under section
10 807 of the Community Reinvestment Act
11 of 1977 (12 U.S.C. 2906); or

12 “(ii) if three such evaluations are not
13 available, the most recent written evalua-
14 tion required under such section.

15 “(F) COMMUNITY BENEFITS PLAN.—

16 “(i) IN GENERAL.—In reviewing any
17 application filed under this paragraph, the
18 Board shall require—

19 “(I) submission to the appro-
20 priate Federal financial supervisory
21 agency of a community benefits plan;

22 “(II) that the company consult
23 with community-based organizations
24 and other community stakeholders in

1 developing the community benefits
2 plan; and

3 “(III) a public hearing to be held
4 if any bank that would be controlled
5 by the resulting company has received
6 a ‘substantial noncompliance in meet-
7 ing community credit needs’ or ‘needs
8 to improve record of meeting commu-
9 nity credit needs’ rating in any assess-
10 ment area during the last examination
11 of such institution conducted pursuant
12 to the Community Reinvestment Act
13 of 1977.

14 “(ii) DEFINITION.—For purposes of
15 this paragraph, ‘community benefits plan’
16 means a plan that provides measurable
17 goals for future amounts of safe and sound
18 loans, investments, services, and other fi-
19 nancial products for low- and moderate-in-
20 come communities and other distressed or
21 underserved communities.”.

22 (c) COMMUNITY REINVESTMENT ACT AMEND-
23 MENT.—Section 804 of the Community Reinvestment Act
24 of 1977 (12 U.S.C. 2903) is amended by adding at the
25 end the following new subsection:

1 “(e) COMMUNITY BENEFITS PLAN.—In assessing
2 and taking into account, under subsection (a), the record
3 of a financial institution, the appropriate Federal financial
4 supervisory agency shall consider as a factor the financial
5 institution’s record of compliance with any community
6 benefits plan pursuant to section 3(c)(10) or 4(j)(2)(F)
7 of the Bank Holding Company Act of 1956 or section
8 18(c)(16) of the Federal Deposit Insurance Act, as appli-
9 cable.”.

10 (d) FAIR LENDING ASSESSMENT.—Section 807(b)(1)
11 of the Community Reinvestment Act of 1977 (12 U.S.C.
12 2906(b)(1)) is amended—

13 (1) in subparagraph (A)—

14 (A) in clause (ii), by striking “and” at the
15 end;

16 (B) by redesignating clause (iii) as clause
17 (iv); and

18 (C) by inserting after clause (ii) the fol-
19 lowing new clause:

20 “(iii) contain statistical analyses of the in-
21 stitution’s fair lending performance using data
22 reported under the Home Mortgage Disclosure
23 Act; and”; and

1 (2) in subparagraph (B), by striking “clauses
2 (i) and (ii)” and inserting “clauses (i), (ii), and
3 (iii)”.

4 **SEC. 5. FINANCIAL STABILITY CONSIDERATIONS FOR**
5 **MERGER TRANSACTIONS.**

6 (a) **INSURED DEPOSITORY INSTITUTIONS.**—Section
7 18(c) of the Federal Deposit Insurance Act (12 U.S.C.
8 1828(c)), as amended by section 4, is further amended—

9 (1) in paragraph (5)—

10 (A) in subparagraph (A), by striking “or”
11 at the end;

12 (B) in subparagraph (B), by striking the
13 period at the end and inserting “, or”; and

14 (C) by inserting after subparagraph (B)
15 the following new subparagraph:

16 “(C) any proposed merger transaction for which
17 the resulting insured depository institution would re-
18 ceive a score greater than 25 on the assessment de-
19 scribed in paragraph (17)(B).”; and

20 (2) by adding at the end the following new
21 paragraph:

22 “(17) **FINANCIAL STABILITY.**—In considering
23 the risk to the stability of the United States banking
24 or financial system under paragraph (5), the respon-
25 sible agency shall—

1 “(A) take into account—

2 “(i) the insured depository institutions
3 or bank holding companies that might ac-
4 quire the applicant insured depository in-
5 stitution if the resulting insured depository
6 institution were to fail after consummation
7 of the proposed merger; and

8 “(ii) whether such an acquisition
9 would result in greater or more con-
10 centrated risks to the stability of the
11 United States banking or financial system;
12 and

13 “(B) use the assessment methodology de-
14 veloped by the Basel Committee on Banking
15 Supervision for assessing global systemically
16 important banks.”.

17 (b) BANK HOLDING COMPANIES.—

18 (1) PROPOSED ACQUISITIONS, MERGERS, OR
19 CONSOLIDATIONS.—Section 3(c)(7) of the Bank
20 Holding Company Act of 1956 (12 U.S.C.
21 1842(c)(7)), as amended by section 4, is further
22 amended—

23 (A) by striking “In every case,” and in-
24 serting the following:

25 “(A) IN GENERAL.—In every case,”; and

1 (B) by adding at the end the following new
2 subparagraphs:

3 “(B) CONSIDERATIONS.—The Board shall
4 not approve an application under this section
5 for which the resulting company would receive
6 a score greater than 25 on the assessment de-
7 scribed in subparagraph (C)(ii).

8 “(C) FINANCIAL STABILITY.—In consid-
9 ering the risk to the stability of the United
10 States banking or financial system, the Board
11 shall—

12 “(i) take into account—

13 “(I) the insured depository insti-
14 tutions or bank holding companies
15 that might acquire the resulting com-
16 pany if it were to fail after con-
17 summation of the proposed trans-
18 action; and

19 “(II) whether such an acquisition
20 would result in greater or more con-
21 centrated risks to the stability of the
22 United States banking or financial
23 system; and

24 “(ii) use the assessment methodology
25 developed by the Basel Committee on

1 Banking Supervision for assessing global
2 systemically important banks.”.

3 (2) PROPOSED TRANSACTIONS OR ACTIVITIES.—Section 4(j)(2) of the Bank Holding Com-
4 pany Act of 1956 (12 U.S.C. 1843(j)(2)), as amend-
5 ed by section 4, is further amended by adding at the
6 end the following new subparagraphs:
7

8 “(G) CONSIDERATIONS.— The Board shall
9 deny a notice filed pursuant to this subsection
10 if the resulting company would receive a score
11 greater than 25 on the assessment described in
12 subparagraph (H)(ii).

13 “(H) ASSESSMENT OF FINANCIAL STA-
14 BILITY.—In considering the risk to the stability
15 of the United States banking or financial sys-
16 tem, the Board shall—

17 “(i) take into account—

18 “(I) the insured depository insti-
19 tutions or bank holding companies
20 that might acquire the applicant bank
21 holding company if the resulting com-
22 pany were to fail after consummation
23 of the proposed proposal; and

24 “(II) whether such an acquisition
25 would result in greater or more con-

1 centrated risks to the stability of the
2 United States banking or financial
3 system; and

4 “(ii) use the assessment methodology
5 developed by the Basel Committee on
6 Banking Supervision for assessing global
7 systemically important banks.”.

8 **SEC. 6. FINANCIAL CRITERIA FOR CERTAIN MERGER**
9 **TRANSACTIONS.**

10 (a) STRESS TESTS.—

11 (1) PROPOSED ACQUISITIONS, MERGERS, OR
12 CONSOLIDATIONS.—Section 3(c) of the Bank Hold-
13 ing Company Act of 1956 (12 U.S.C. 1842(c)), as
14 amended by section 5, is further amended by adding
15 at the end the following new paragraphs:

16 “(11) STRESS TESTS.—

17 “(A) IN GENERAL.—If a resulting com-
18 pany will have total consolidated assets greater
19 than or equal to \$100,000,000,000, the Board
20 shall evaluate the pro forma balance sheet of
21 the resulting company to assess whether such
22 resulting company would have the capital, on a
23 total consolidated basis, necessary to absorb
24 losses as a result of adverse economic condi-
25 tions.

1 “(B) CONSIDERATIONS.—The Board shall
2 not approve an application under this section
3 unless the resulting company would remain at
4 least adequately capitalized in severely adverse
5 economic conditions under the evaluation de-
6 scribed in subparagraph (A).”.

7 (2) PROPOSED TRANSACTIONS OR ACTIVI-
8 TIES.—Section 4(j) of the Bank Holding Company
9 Act of 1956 (12 U.S.C. 1843(j)), as amended by
10 section 5, is further amended by adding at the end
11 the following new paragraphs:

12 “(8) STRESS TESTS.—

13 “(A) IN GENERAL.—If a resulting com-
14 pany will have total consolidated assets greater
15 than or equal to \$100,000,000,000, the Board
16 shall evaluate the pro forma balance sheet of
17 the resulting company to determine whether
18 such resulting company would have the capital,
19 on a total consolidated basis, necessary to ab-
20 sorb losses as a result of adverse economic con-
21 ditions.

22 “(B) CONSIDERATIONS.—The Board shall
23 deny a notice submitted pursuant to this sub-
24 section if the resulting company would not re-
25 main at least adequately capitalized in severely

1 adverse economic conditions under the evalua-
2 tion described in subparagraph (A).”.

3 (b) WELL CAPITALIZED THRESHOLDS.—

4 (1) DEFINITION OF WELL CAPITALIZED FOR
5 INTERSTATE BANK MERGERS.—Section 44(g) of the
6 Federal Deposit Insurance Act (12 U.S.C.
7 1831u(g)) is amended by adding at the end the fol-
8 lowing new paragraph:

9 “(12) WELL CAPITALIZED.—The term ‘well
10 capitalized’ means, with respect to an insured depos-
11 itory institution with total consolidated assets of
12 \$10,000,000,000 or more, that such institution ex-
13 ceeds the required minimum level for each relevant
14 capital measure to be considered adequately capital-
15 ized (as determined under section 38) by at least 50
16 percent of such minimum.”.

17 (2) BANK HOLDING COMPANIES.—Section
18 2(o)(B)(ii) of the Bank Holding Company Act of
19 1956 (12 U.S.C. 1841(o)(B)(ii)) is amended to read
20 as follows:

21 “(ii) WELL CAPITALIZED.—A bank
22 holding company is ‘well capitalized’ if—

23 “(I) with respect to a company
24 that has total consolidated assets of
25 \$10,000,000,000 or more, it exceeds

1 the required minimum level for each
2 relevant capital measure (as deter-
3 mined by the Board) by at least 50
4 percent of such minimum; and

5 “(II) with respect to a company
6 that has total consolidated assets of
7 less than \$10,000,000,000, it meets
8 the required capital levels for well
9 capitalized bank holding companies
10 established by the Board.”.

11 **SEC. 7. MANAGERIAL CRITERIA FOR CERTAIN MERGER**
12 **TRANSACTIONS.**

13 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
14 18(c) of the Federal Deposit Insurance Act (12 U.S.C.
15 1828(c)), as amended by sections 3(a), 4(a), and 5(a) of
16 this Act, is amended by adding at the end the following:

17 “(18)(A) In this paragraph, the term ‘covered trans-
18 action’ means a merger transaction in which the resulting
19 company would have more than \$100,000,000,000 in total
20 assets.

21 “(B) An application for approval of a covered trans-
22 action shall include the name of each individual who will
23 serve on the board of directors or serve as a senior execu-
24 tive officer of the resulting company.

1 “(C) The responsible agency shall make a written
2 evaluation of the competence, experience, character, and
3 integrity of each individual described in subparagraph (B).

4 “(D) The responsible agency shall not approve a cov-
5 ered transaction if the responsible agency determines that
6 the competence, experience, character, or integrity of any
7 individual described in subparagraph (B) indicates that it
8 would not be in the best interests of the depositors of the
9 depository institution or in the best interests of the public
10 to permit the individual to be employed by, or associated
11 with, the resulting company.

12 “(E) The responsible agency shall make any written
13 evaluation described in subparagraph (C) publicly avail-
14 able after the date on which the responsible agency ap-
15 proves or denies a covered transaction.”.

16 (b) BANK HOLDING COMPANIES.—

17 (1) ACQUISITION OF BANK SHARES OR AS-
18 SETS.—Section 3(c) of the Bank Holding Company
19 Act of 1956 (12 U.S.C. 1842(c)), as amended by
20 sections 3(b)(1), 4(b)(1), and 6(a)(1) of this Act, is
21 amended by adding at the end the following:

22 “(12) COVERED TRANSACTIONS.—

23 “(A) DEFINITION.—In this paragraph, the
24 term ‘covered transaction’ means an acquisi-
25 tion, merger, or consolidation under this section

1 in which the resulting company would have
2 more than \$100,000,000,000 in total assets.

3 “(B) LISTING OF MEMBERS OF THE
4 BOARD OF DIRECTORS AND SENIOR EXECUTIVE
5 OFFICERS.—

6 “(i) IN GENERAL.—An application for
7 approval of a covered transaction shall in-
8 clude the name of each individual who will
9 serve on the board of directors or serve as
10 a senior executive officer of the resulting
11 company.

12 “(ii) WRITTEN EVALUATION.—The
13 Board shall make a written evaluation of
14 the competence, experience, character, and
15 integrity of each individual described in
16 clause (i).

17 “(iii) BEST INTERESTS.—The Board
18 shall not approve a covered transaction if
19 the Board determines that the competence,
20 experience, character, or integrity of any
21 individual described in clause (i) indicates
22 that it would not be in the best interests
23 of the shareholders of the bank holding
24 company or in the best interests of the
25 public to permit the individual to be em-

1 employed by, or associated with, the resulting
2 company.

3 “(iv) PUBLICLY AVAILABLE.—The
4 Board shall make any written evaluation
5 described in clause (ii) publicly available
6 after the date on which the Board ap-
7 proves or denies a covered transaction.”.

8 (2) INTERESTS IN NONBANKING ORGANIZA-
9 TIONS.—Section 4(j) of the Bank Holding Company
10 Act of 1956 (12 U.S.C. 1843(j)), as amended by
11 section 6(a)(2) of this Act, is amended by adding at
12 the end the following:

13 “(9) COVERED TRANSACTIONS.—

14 “(A) DEFINITION.—In this paragraph, the
15 term ‘covered transaction’ means a transaction
16 under this subsection in which the resulting
17 company would have more than
18 \$100,000,000,000 in total assets.

19 “(B) LISTING OF MEMBERS OF THE
20 BOARD OF DIRECTORS AND SENIOR EXECUTIVE
21 OFFICERS.—

22 “(i) IN GENERAL.—Notice for ap-
23 proval of a covered transaction shall in-
24 clude the name of each individual who will
25 serve on the board of directors or serve as

1 a senior executive officer of the resulting
2 company.

3 “(ii) WRITTEN EVALUATION.—The
4 Board shall make a written evaluation of
5 the competence, experience, character, and
6 integrity of each individual described in
7 clause (i).

8 “(iii) BEST INTERESTS.—The Board
9 shall deny a proposed covered transaction
10 if the Board determines that the com-
11 petence, experience, character, or integrity
12 of any individual described in clause (i) in-
13 dicates that it would not be in the best in-
14 terests of the shareholders of the bank
15 holding company or in the best interests of
16 the public to permit the individual to be
17 employed by, or associated with, the result-
18 ing company.

19 “(iv) PUBLICLY AVAILABLE.—The
20 Board shall make any written evaluation
21 described in clause (ii) publicly available
22 after the date on which the Board ap-
23 proves or denies a covered transaction.”.

1 **SEC. 8. COMPETITIVE EFFECTS.**

2 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
3 18(c) of the Federal Deposit Insurance Act (12 U.S.C.
4 1828(c)), as amended by section 7, is further amended
5 by adding at the end the following new paragraph:

6 “(19) COMPETITIVE EFFECTS.—

7 “(A) PRODUCT MARKETS.—In every case,
8 the responsible agency shall consider the com-
9 petitive effects of the proposed transaction on
10 the market for—

11 “(i) commercial deposits;

12 “(ii) loans to small businesses, using
13 data reported under the Community Rein-
14 vestment Act of 1977 for loans to small
15 businesses with less than \$1,000,000 in
16 gross annual revenue, and any other data
17 the responsible agency deems appropriate
18 to collect for this purpose;

19 “(iii) home mortgage loans, using
20 data reported under the Home Mortgage
21 Disclosure Act of 1975 for first-lien mort-
22 gage loans for single family homes, and
23 any other data the responsible agency
24 deems appropriate to collect for this pur-
25 pose;

1 “(iv) any other financial product that
2 comprises a substantial portion of the ac-
3 tivities of each bank or savings association
4 involved in the proposed merger trans-
5 action, as determined by the responsible
6 agency.

7 “(B) GEOGRAPHIC MARKETS.—The re-
8 sponsible agency shall consider the competitive
9 effects of the proposed transaction on the prod-
10 uct markets identified in subparagraph (A) with
11 respect to each of the following geographic mar-
12 kets as defined by the United States Census
13 Bureau:

14 “(i) Each State in which the resulting
15 company would operate.

16 “(ii) Each core-based statistical area
17 in which the resulting company would op-
18 erate.

19 “(iii) Each county in which the result-
20 ing company would operate.

21 “(iv) Any other geographic area the
22 responsible agency deems appropriate.”.

23 (b) BANK HOLDING COMPANIES.—

24 (1) PROPOSED ACQUISITIONS, MERGERS, OR
25 CONSOLIDATIONS.—Section 3(e) of the Bank Hold-

1 ing Company Act of 1956 (12 U.S.C. 1842(c)), as
2 amended by section 7, is further amended by adding
3 at the end the following new paragraph:

4 “(13) COMPETITIVE EFFECTS.—

5 “(A) PRODUCT MARKETS.—In every case,
6 the Board shall consider the competitive effects
7 of the proposed transaction on the market for—

8 “(i) commercial deposits;

9 “(ii) loans to small businesses, using
10 data reported under the Community Rein-
11 vestment Act of 1977 for loans to small
12 businesses with less than \$1,000,000 in
13 gross annual revenue, and any other data
14 the Board deems appropriate to collect for
15 this purpose;

16 “(iii) home mortgage loans, using
17 data reported under the Home Mortgage
18 Disclosure Act of 1975 for first-lien mort-
19 gage loans for single family homes, and
20 any other data the Board deems appro-
21 priate to collect for this purpose;

22 “(iv) any other financial product that
23 comprises a substantial portion of the ac-
24 tivities of each bank or savings association

1 involved in the proposed merger trans-
2 action, as determined by the Board.

3 “(B) GEOGRAPHIC MARKETS.—The Board
4 shall consider the competitive effects of the pro-
5 posed transaction on the product markets iden-
6 tified in subparagraph (A) with respect to each
7 of the following geographic markets:

8 “(i) Each State in which the resulting
9 company would operate.

10 “(ii) Each core-based statistical area
11 in which the resulting company would op-
12 erate.

13 “(iii) Each county in which the result-
14 ing company would operate.

15 “(iv) Any other geographic area the
16 Board deems appropriate.”.

17 (2) PROPOSED TRANSACTIONS OR ACTIVI-
18 TIES.—Section 4(j) of the Bank Holding Company
19 Act of 1956 (12 U.S.C. 1843(j)) as amended by sec-
20 tion 7, is further amended is amended by adding at
21 the end the following new paragraph:

22 “(10) COMPETITIVE EFFECTS.—

23 “(A) PRODUCT MARKETS.—In every case,
24 the Board shall consider the competitive effects
25 of the proposed transaction on the market for—

1 “(i) commercial deposits;

2 “(ii) loans to small businesses, using
3 data reported under the Community Rein-
4 vestment Act of 1977 for loans to small
5 businesses with less than \$1,000,000 in
6 gross annual revenue, and any other data
7 the Board deems appropriate to collect for
8 this purpose;

9 “(iii) home mortgage loans, using
10 data reported under the Home Mortgage
11 Disclosure Act of 1975 for first-lien mort-
12 gage loans for single family homes, and
13 any other data the Board deems appro-
14 priate to collect for this purpose;

15 “(iv) any other financial product that
16 comprises a substantial portion of the ac-
17 tivities of each bank or savings association
18 involved in the proposed merger trans-
19 action, as determined by the Board.

20 “(B) GEOGRAPHIC MARKETS.—The Board
21 shall consider the competitive effects of the pro-
22 posed transaction on the product markets iden-
23 tified in subparagraph (A) with respect to each
24 of the following geographic markets:

1 “(i) Each State in which the resulting
2 company would operate.

3 “(ii) Each core-based statistical area
4 in which the resulting company would op-
5 erate.

6 “(iii) Each county in which the result-
7 ing company would operate.

8 “(iv) Any other geographic area the
9 Board deems appropriate.”.

10 **SEC. 9. TRANSPARENCY IN MERGER REVIEW.**

11 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
12 18(c) of the Federal Deposit Insurance Act (12 U.S.C.
13 1828(c)), as amended by section 8, is further amended
14 by adding at the end the following new paragraph:

15 “(20) TRANSPARENCY.—

16 “(A) IN GENERAL.—In any application
17 under this section—

18 “(i) an insured depository institution
19 shall—

20 “(I) disclose whether any persons
21 employed by, representing, or acting
22 on behalf of the depository institution
23 have had verbal or written commu-
24 nications with the responsible agency,
25 a Federal reserve bank, or any other

1 Federal regulatory agency regarding
2 the proposed merger transaction; and

3 “(II) identify the dates and the
4 names of individuals involved in, and
5 the content of, all communications in
6 described in subclause (I); and

7 “(ii) the chief executive officer and
8 chief legal officer of an insured depository
9 institution shall certify that no persons em-
10 ployed by, representing, or acting on behalf
11 of the depository institution asked for or
12 received assurances from the responsible
13 agency, a Federal reserve bank, or any
14 other Federal regulatory agency that the
15 proposed merger transaction would be ap-
16 proved of that there would be no barriers
17 to such approval.

18 “(B) UPDATES.—An insured depository in-
19 stitution shall update the disclosure and certifi-
20 cation described in subparagraph (A) as needed
21 within 2 business days of any communication
22 that occurs before the responsible agency makes
23 a final decision on a proposed merger trans-
24 action.

1 “(C) PUBLICATION.—The responsible
2 agency shall publish on the website of such
3 agency the disclosure, certification, and any up-
4 dates required under this paragraph within 1
5 business day of receipt.”.

6 (b) BANK HOLDING COMPANIES.—

7 (1) PROPOSED ACQUISITIONS, MERGERS, OR
8 CONSOLIDATIONS.—Section 3(e) of the Bank Hold-
9 ing Company Act of 1956 (12 U.S.C. 1842(e)), as
10 amended by section 8, is further amended by adding
11 at the end the following new paragraph:

12 “(14) TRANSPARENCY.—

13 “(A) IN GENERAL.—In any application
14 under this section—

15 “(i) a bank holding company shall—

16 “(I) disclose whether any persons
17 employed by, representing, or acting
18 on behalf of the bank holding com-
19 pany have had verbal or written com-
20 munications with the Board, a Fed-
21 eral reserve bank, or any other Fed-
22 eral regulatory agency regarding the
23 proposal; and

24 “(II) identify the dates and the
25 names of individuals involved in, and

1 the content of, all communications in
2 described in subclause (I); and

3 “(ii) the chief executive officer and
4 chief legal officer of a bank holding com-
5 pany shall certify that no persons em-
6 ployed by, representing, or acting on behalf
7 of the bank holding company asked for or
8 received assurances from the Board, a
9 Federal reserve bank, or any other Federal
10 regulatory agency that the proposal would
11 be approved of that there would be no bar-
12 riers to such approval.

13 “(B) UPDATES.—A bank holding company
14 shall update the disclosure and certification de-
15 scribed in subparagraph (A) as needed within 2
16 business days of any communication that occurs
17 before the Board makes a final decision on a
18 proposal.

19 “(C) PUBLICATION.—The Board shall pub-
20 lish on the website of the Board the disclosure,
21 certification, and any updates required under
22 this paragraph within 1 business day of re-
23 ceipt.”.

24 (2) PROPOSED TRANSACTIONS OR ACTIVI-
25 TIES.—Section 4(j) of the Bank Holding Company

1 Act of 1956 (12 U.S.C. 1843(j)) as amended by sec-
2 tion 8, is further amended is amended by adding at
3 the end the following new paragraph:

4 “(11) TRANSPARENCY.—

5 “(A) IN GENERAL.—In any notice under
6 this section—

7 “(i) a bank holding company shall—

8 “(I) disclose whether any persons
9 employed by, representing, or acting
10 on behalf of the bank holding com-
11 pany have had verbal or written com-
12 munications with the Board, a Fed-
13 eral reserve bank, or any other Fed-
14 eral regulatory agency regarding the
15 proposal; and

16 “(II) identify the dates and the
17 names of individuals involved in, and
18 the content of, all communications in
19 described in subclause (I); and

20 “(ii) the chief executive officer and
21 chief legal officer of a bank holding com-
22 pany shall certify that no persons em-
23 ployed by, representing, or acting on behalf
24 of the bank holding company asked for or
25 received assurances from the Board, a

1 Federal reserve bank, or any other Federal
2 regulatory agency that the proposal would
3 be approved of that there would be no bar-
4 riers to such approval.

5 “(B) UPDATES.—A bank holding company
6 shall update the disclosure and certification de-
7 scribed in subparagraph (A) as needed within 2
8 business days of any communication that occurs
9 before the Board makes a final decision on a
10 proposal.

11 “(C) PUBLICATION.—The Board shall pub-
12 lish on the website of the Board the disclosure,
13 certification, and any updates required under
14 this paragraph within 1 business day of re-
15 ceipt.”.

16 **SEC. 10. FINANCIAL STABILITY EXCEPTION.**

17 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
18 18(c) of the Federal Deposit Insurance Act (12 U.S.C.
19 1828(c)), as amended by section 9, is further amended
20 by adding at the end the following new paragraph:

21 “(21) FSOC DETERMINATION.—Notwith-
22 standing paragraphs (5)(c), (14), (15), (16), and
23 (17) of this subsection, if the Financial Stability
24 Oversight Council determines by a $\frac{2}{3}$ vote that a
25 proposed merger transaction under this subsection is

1 necessary to preserve the stability of the United
2 States banking or financial system, the responsible
3 agency may approve such transaction.”.

4 (b) BANK HOLDING COMPANIES.—

5 (1) PROPOSED ACQUISITIONS, MERGERS, OR
6 CONSOLIDATIONS.—Section 3(c) of the Bank Hold-
7 ing Company Act of 1956 (12 U.S.C. 1842(c)), as
8 amended by section 9, is further amended by adding
9 at the end the following new paragraph:

10 “(15) FSOC DETERMINATION.—Notwith-
11 standing paragraphs (7)(B), (8), (9), (10), and (11)
12 of this subsection, if the Financial Stability Over-
13 sight Council determines by a $\frac{2}{3}$ vote that a pro-
14 posed acquisition, merger, or consolidation under
15 this subsection is necessary to preserve the stability
16 of the United States banking or financial system,
17 the Board may approve such acquisition, merger, or
18 consolidation.”.

19 (2) PROPOSED TRANSACTIONS OR ACTIVI-
20 TIES.—Section 4(j) of the Bank Holding Company
21 Act of 1956 (12 U.S.C. 1843(j)) is amended by add-
22 ing at the end the following new paragraph:

23 “(12) FSOC DETERMINATION.—Notwith-
24 standing paragraphs (2)(D), (2)(E), (2)(F), (2)(G),
25 and (8) of this subsection, if the Financial Stability

1 Oversight Council determines by a $\frac{2}{3}$ vote that a
2 proposed transaction or activity under this sub-
3 section is necessary to preserve the stability of the
4 United States banking or financial system, the
5 Board may approve such transaction or activity.”.

6 **SEC. 11. CITIZEN STANDING.**

7 (a) INSURED DEPOSITORY INSTITUTIONS.—Section
8 18(c) of the Federal Deposit Insurance Act (12 U.S.C.
9 1828(c)), as amended by section 10, is further amended
10 by adding at the end the following new paragraph:

11 “(22) CITIZEN STANDING.—

12 “(A) IN GENERAL.—Not later than 10
13 days after the approval of a merger transaction
14 by the responsible agency under this subsection
15 or the denial of a request for reconsideration of
16 an application for a merger transaction, an in-
17 dividual may file a civil action in the appro-
18 priate United States district court to review
19 such approval, regardless of whether the indi-
20 vidual submitted a comment or otherwise par-
21 ticipated in the application process for approval
22 of the merger transaction.

23 “(B) CONSIDERATION.—In any such ac-
24 tion, the court shall review de novo the issues

1 presented, consider the matter on an expedited
2 basis, and issue a decision within 30 days.

3 “(C) COSTS.—An individual who files a
4 civil action under this paragraph may not be re-
5 quired to pay the costs of the responsible agen-
6 cy or any party to the merger transaction that
7 is the subject of the civil action.

8 “(D) EFFECT ON MERGER TRANS-
9 ACTION.—The proposed merger transaction
10 that is the subject of a civil action under this
11 paragraph may not be consummated until the
12 court issues a final decision in such action.”.

13 (b) BANK HOLDING COMPANIES.—

14 (1) PROPOSED ACQUISITIONS, MERGERS, OR
15 CONSOLIDATIONS.—Section 3(c) of the Bank Hold-
16 ing Company Act of 1956 (12 U.S.C. 1842(c)), as
17 amended by section 10, is further amended by add-
18 ing at the end the following new paragraph:

19 “(16) CITIZEN STANDING.—

20 “(A) IN GENERAL.—Not later than 10
21 days after the approval of an application under
22 this section by the Board, or the denial of a re-
23 quest for reconsideration of such an application
24 by the Board, an individual may file a civil ac-
25 tion in the appropriate United States district

1 court to review such approval, regardless of
2 whether the individual submitted a comment or
3 otherwise participated in the application proc-
4 ess.

5 “(B) CONSIDERATION.—In any such ac-
6 tion, the court shall review de novo the issues
7 presented, consider the matter on an expedited
8 basis, and issue a decision within 30 days.

9 “(C) COSTS.—An individual who files a
10 civil action under this paragraph may not be re-
11 quired to pay the costs of the Board or any
12 party to the application that is the subject of
13 the civil action.

14 “(D) EFFECT ON APPLICATION.—The pro-
15 posed acquisition, merger, or consolidation that
16 is the subject of a civil action under this para-
17 graph may not be consummated until the court
18 issues a final decision in such action.”.

19 (2) OTHER TRANSACTIONS OR ACTIVITIES.—
20 Section 4(j)(2) of the Bank Holding Company Act
21 of 1956 (12 U.S.C. 1843(j)(2)), as amended by sec-
22 tion 5, is further amended by adding at the end the
23 following new subparagraph:

24 “(I) CITIZEN STANDING.—

1 “(i) IN GENERAL.—Not later than 10
2 days after the approval of a notice under
3 this subsection by the Board, or the denial
4 of a request for reconsideration of such no-
5 tice by the Board, an individual may file a
6 civil action in the appropriate United
7 States district court to review such ap-
8 proval, regardless of whether the individual
9 submitted a comment or otherwise partici-
10 pated in the notice process.

11 “(ii) CONSIDERATION.—In any such
12 action, the court shall review de novo the
13 issues presented, consider the matter on an
14 expedited basis, and issue a decision within
15 30 days.

16 “(iii) COSTS.—An individual who files
17 a civil action under this subparagraph may
18 not be required to pay the costs of the
19 Board or any party to the notice that is
20 the subject of the civil action.

21 “(iv) EFFECT ON NOTICE.—The pro-
22 posed transaction or activity that is the
23 subject of a civil action under this sub-
24 paragraph may not be commenced or con-

1 summated until the court issues a final de-
2 cision in such action.”.