

118TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Federal Deposit Insurance Act to clarify that the Federal Deposit Insurance Corporation and appropriate Federal regulators have the authority to claw back certain compensation paid to executives.

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IN THE SENATE OF THE UNITED STATES

Ms. WARREN (for herself, Mr. HAWLEY, Ms. CORTEZ MASTO, and Mr. BRAUN) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Federal Deposit Insurance Act to clarify that the Federal Deposit Insurance Corporation and appropriate Federal regulators have the authority to claw back certain compensation paid to executives.

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 “Failed Bank Execu-  
5 tives Clawback Act”.

1 **SEC. 2. CLAW BACK.**

2 Section 8(b) of the Federal Deposit Insurance Act  
3 (12 U.S.C. 1818(b)) is amended by inserting after para-  
4 graph (8) the following:

5 “(9) CLAWBACK.—

6 “(A) DEFINITION.—In this paragraph, the  
7 term ‘covered compensation’ means—

8 “(i) salary;

9 “(ii) bonuses;

10 “(iii) any compensation that is grant-  
11 ed, earned, or vested based wholly or in  
12 part upon the attainment of any financial  
13 reporting measure or other performance  
14 metric;

15 “(iv) equity-based compensation;

16 “(v) time- or service-based awards;

17 “(vi) awards based on nonfinancial  
18 metrics; and

19 “(vii) any profits realized from the  
20 buying or selling of securities.

21 “(B) CLAWBACK.—

22 “(i) LIABILITY OF INSTITUTION-AF-  
23 FILIATED PARTY.—An institution-affiliated  
24 party that is responsible for the condition  
25 of the insured depository institution is lia-  
26 ble to the Corporation for any covered

1 compensation clawed back under clause  
2 (ii).

3 “(ii) REQUIRED CLAWBACKS.—In the  
4 case of insolvency or resolution of any in-  
5 sured depository institution, the Corpora-  
6 tion shall claw back all or part of the cov-  
7 ered compensation received by an institu-  
8 tion-affiliated party during the preceding 5  
9 years as is necessary to prevent unjust en-  
10 richment and assure that the party bears  
11 losses consistent with the responsibility of  
12 the party.

13 “(iii) DEPOSIT.—Any covered com-  
14 pensation clawed back under this subpara-  
15 graph shall be deposited into the Deposit  
16 Insurance Fund or into the general fund of  
17 the Treasury.”.

18 **SEC. 3. ORDERLY LIQUIDATION OF COVERED FINANCIAL**  
19 **COMPANIES.**

20 Section 204(a)(3) of the Dodd-Frank Wall Street Re-  
21 form and Consumer Protection Act (12 U.S.C.  
22 5384(a)(3)) is amended by striking “the financial com-  
23 pany” and inserting “of a financial company for which the  
24 Corporation is appointed receiver, regardless of the proc-  
25 ess by which the Corporation is appointed,”.

1 **SEC. 4. RESOLVED INSURED DEPOSITORY INSTITUTIONS.**

2       If an insured depository institution is resolved by the  
3 Federal Deposit Insurance Corporation, the creditors and  
4 shareholders of any corresponding depository institution  
5 holding company shall bear the losses of the insured de-  
6 pository institution.