

114TH CONGRESS
1ST SESSION

S. 812

To enhance the ability of community financial institutions to foster economic growth and serve their communities, boost small businesses, increase individual savings, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 19, 2015

Mr. MORAN (for himself, Mr. TESTER, Mr. INHOFE, Mr. PORTMAN, Mr. BARRASSO, and Ms. HEITKAMP) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To enhance the ability of community financial institutions to foster economic growth and serve their communities, boost small businesses, increase individual savings, 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 “Community Lending
5 Enhancement and Regulatory Relief Act of 2015” or the
6 “CLEAR Relief Act of 2015”.

1 **SEC. 2. COMMUNITY BANK EXEMPTION FROM ANNUAL**
2 **MANAGEMENT ASSESSMENT OF INTERNAL**
3 **CONTROLS REQUIREMENT OF THE SAR-**
4 **BANES-OXLEY ACT OF 2002.**

5 Section 404 of the Sarbanes-Oxley Act of 2002 (15
6 U.S.C. 7262) is amended by adding at the end the fol-
7 lowing:

8 “(d) **COMMUNITY BANK EXEMPTION.**—

9 “(1) **DEFINITIONS.**—In this subsection—

10 “(A) the term ‘bank holding company’ has
11 the same meaning as in section 2 of the Bank
12 Holding Company Act of 1956 (12 U.S.C.
13 1841);

14 “(B) the term ‘insured depository institu-
15 tion’ has the same meaning as in section 3 of
16 the Federal Deposit Insurance Act (12 U.S.C.
17 1813); and

18 “(C) the term ‘savings and loan holding
19 company’ has the same meaning as in section
20 10 of the Home Owners’ Loan Act (12 U.S.C.
21 1467a).

22 “(2) **IN GENERAL.**—This section and the rules
23 prescribed under this section shall not apply in any
24 fiscal year to any bank holding company, savings
25 and loan holding company, or insured depository in-
26 stitution which, as of the end of the preceding fiscal

1 year, had total consolidated assets of
2 \$1,000,000,000 or less.

3 “(3) ADJUSTMENT OF AMOUNT.—The Commis-
4 sion shall annually adjust the dollar amount in para-
5 graph (1) by an amount equal to the percentage in-
6 crease, for the most recent year, in total assets held
7 by all bank holding companies, savings and loan
8 holding companies, and insured depository institu-
9 tions, as reported by the Federal Deposit Insurance
10 Corporation.”.

11 **SEC. 3. ESCROW REQUIREMENTS RELATING TO CERTAIN**
12 **CONSUMER CREDIT TRANSACTIONS.**

13 Section 129D(c) of the Truth in Lending Act (15
14 U.S.C. 1639d(c)) is amended—

15 (1) by redesignating paragraphs (1), (2), (3),
16 and (4) as subparagraphs (A), (B), (C), and (D), re-
17 spectively, and moving the margins 2 ems to the
18 right;

19 (2) by striking “The Bureau” and inserting the
20 following:

21 “(1) IN GENERAL.—The Bureau”; and

22 (3) by adding at the end the following:

23 “(2) TREATMENT OF LOANS HELD BY SMALLER
24 INSTITUTIONS.—The Bureau shall, by regulation,
25 exempt from the requirements of subsection (a) any

1 loan secured by a first lien on the principal dwelling
2 of a consumer, if such loan is held by an insured de-
3 pository institution having assets of
4 \$10,000,000,000 or less.”.

5 **SEC. 4. MINIMUM STANDARDS FOR RESIDENTIAL MORT-**
6 **GAGE LOANS.**

7 Section 129C(b)(2) of the Truth in Lending Act (15
8 U.S.C. 1639c(b)(2)) is amended—

9 (1) by adding at the end the following:

10 “(F) SAFE HARBOR.—In this section—

11 “(i) the term ‘qualified mortgage’ in-
12 cludes any mortgage loan that is originated
13 and retained in portfolio for a period of
14 not less than 3 years by a depository insti-
15 tution having less than \$10,000,000,000 in
16 total assets; and

17 “(ii) loans described in clause (i) shall
18 be deemed to meet the requirements of
19 subsection (a).”; and

20 (2) in subparagraph (E)—

21 (A) by striking “The Bureau may, by reg-
22 ulation,” and inserting “The Bureau shall, by
23 regulation,”; and

24 (B) by striking clause (iv) and inserting
25 the following:

1 “(iv) that is extended by an insured
2 depository institution that—

3 “(I) originates and retains the
4 balloon loans in portfolio for a period
5 of not less than 3 years; and

6 “(II) together with its affiliates
7 has less than \$10,000,000,000 in
8 total consolidated assets.”.

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