

113TH CONGRESS  
1ST SESSION

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

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.

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IN THE SENATE OF THE UNITED STATES

Mr. MORAN introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**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 2013” or the  
6 “CLEAR Relief Act of 2013”.

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. CHANGES REQUIRED TO THE SMALL BANK HOLD-**  
12 **ING COMPANY POLICY STATEMENT ON AS-**  
13 **SESSMENT OF FINANCIAL AND MANAGERIAL**  
14 **FACTORS.**

15 (a) DEFINITIONS.—In this section—

16 (1) the term “bank holding company” has the  
17 same meaning as in section 2 of the Bank Holding  
18 Company Act of 1956 (12 U.S.C. 1841);

19 (2) the term “Board” means the Board of Gov-  
20 ernors of the Federal Reserve System;

21 (3) the term “financial institution” means—

22 (A) an insured depository institution;

23 (B) a bank holding company;

24 (C) a savings and loan holding company;

25 and

1 (D) a foreign bank subject to the Bank  
2 Holding Company Act of 1956 (12 U.S.C. 1841  
3 et seq.); and

4 (4) the term “insured depository institution”  
5 has the same meaning as in section 3 of the Federal  
6 Deposit Insurance Act (12 U.S.C. 1813);

7 (5) the term “savings and loan holding com-  
8 pany” has the same meaning as in section 10 of the  
9 Home Owners’ Loan Act (12 U.S.C. 1467a).

10 (b) FEDERAL RESERVE BOARD.—The policy state-  
11 ment of the Board in the Small Bank Holding Company  
12 Statement in Part 225 of the appendix to title 12, Code  
13 of Federal Regulations (or any successor thereto), shall  
14 apply to each financial institution that—

15 (1) is otherwise subject to that policy state-  
16 ment; and

17 (2) has consolidated assets of less than  
18 \$5,000,000,000.

19 **SEC. 4. ESCROW REQUIREMENTS RELATING TO CERTAIN**  
20 **CONSUMER CREDIT TRANSACTIONS.**

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

23 (1) by redesignating paragraphs (1), (2), (3),  
24 and (4) as subparagraph (A), (B), (C), and (D), re-

1       spectively, and moving the margins 2 ems to the  
2       right;

3               (2) by striking “The Bureau” and inserting the  
4       following:

5               “(1) IN GENERAL.—The Bureau”; and

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

7               “(2) TREATMENT OF LOANS HELD BY SMALLER  
8       INSTITUTIONS.—The Bureau shall, by regulation,  
9       exempt from the requirements of subsection (a) any  
10      loan secured by a first lien on the principal dwelling  
11      of a consumer, if such loan is held by an insured de-  
12      pository institution having assets of  
13      \$10,000,000,000 or less.”.

14   **SEC. 5. MINIMUM STANDARDS FOR RESIDENTIAL MORT-**  
15               **GAGE LOANS.**

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

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

19               “(F) SAFE HARBOR.—In this section—

20                       “(i) the term ‘qualified mortgage’ in-  
21                       cludes any mortgage loan that is originated  
22                       and retained in portfolio for a period of  
23                       not less than 3 years by a depository insti-  
24                       tution having less than \$10,000,000,000 in  
25                       total assets; and

1                   “(ii) loans described in clause (i) shall  
2                   be deemed to meet the requirements of  
3                   subsection (a).”; and

4                   (2) in subparagraph (E)—

5                   (A) by striking “The Bureau may, by reg-  
6                   ulation,” and inserting “The Bureau shall, by  
7                   regulation,”; and

8                   (B) by striking clause (iv) and inserting  
9                   the following:

10                   “(iv) that is extended by an insured  
11                   depository institution that—

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

15                   “(II) together with its affiliates  
16                   has less than \$10,000,000,000 in  
17                   total consolidated assets.”.