

MARCH 8, 2018

**RULES COMMITTEE PRINT 115–63**  
**TEXT OF H. R. 4293, STRESS TEST IMPROVEMENT**  
**ACT OF 2017**

[Showing the text of H. R. 4293 as ordered reported by the  
Committee on Financial Services.]

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Stress Test Improve-  
3 ment Act of 2017”.

4 **SEC. 2. CCAR AND DFAST REFORMS.**

5       Section 165(i) of the Dodd-Frank Wall Street Re-  
6 form and Consumer Protection Act (12 U.S.C. 5365(i))  
7 is amended—

8           (1) in paragraph (1)—

9               (A) in subparagraph (B)—

10                   (i) by amending clause (i) to read as  
11 follows:

12                       “(i) shall—

13                           “(I) issue regulations, after pro-  
14 viding for public notice and comment,  
15 that provide for at least 3 different  
16 sets of conditions under which the  
17 evaluation required by this subsection  
18 shall be conducted, including baseline,

1 adverse, and severely adverse, and  
2 methodologies, including models used  
3 to estimate losses on certain assets,  
4 and the Board of Governors shall not  
5 carry out any such evaluation until 60  
6 days after such regulations are issued;  
7 and

8 “(II) provide copies of such regu-  
9 lations to the Comptroller General of  
10 the United States and the Panel of  
11 Economic Advisors of the Congres-  
12 sional Budget Office before publishing  
13 such regulations;”;

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

16 (iii) in clause (v), by striking the pe-  
17 riod and inserting the following: “, includ-  
18 ing any results of a resubmitted test;”;

19 (iv) by adding at the end the fol-  
20 lowing:

21 “(vi) shall, in establishing the severely  
22 adverse condition under clause (i), provide  
23 detailed consideration of the model’s ef-  
24 fects on financial stability and the cost and  
25 availability of credit;

1 “(vii) shall, in developing the models  
2 and methodologies and providing them for  
3 notice and comment under this subpara-  
4 graph, publish a process to test the models  
5 and methodologies for their potential to  
6 magnify systemic and institutional risks in-  
7 stead of facilitating increased resiliency;

8 “(viii) shall design and publish a proe-  
9 cess to test and document the sensitivity  
10 and uncertainty associated with the model  
11 system’s data quality, specifications, and  
12 assumptions; and

13 “(ix) shall communicate the range and  
14 sources of uncertainty surrounding the  
15 models and methodologies.”; and

16 (B) by adding at the end the following:

17 “(C) CCAR REQUIREMENTS.—

18 “(i) PARAMETERS AND CON-  
19 SEQUENCES APPLICABLE TO CCAR.—The  
20 requirements of subparagraph (B) shall  
21 apply to CCAR.

22 “(ii) TWO-YEAR LIMITATION.—The  
23 Board of Governors may not subject a  
24 company to CCAR more than once every  
25 two years.

1           “(iii) MID-CYCLE RESUBMISSION.—If  
2 a company receives a quantitative objection  
3 to, or otherwise desires to amend the com-  
4 pany’s capital plan, the company may file  
5 a new streamlined plan at any time after  
6 a capital planning exercise has been com-  
7 pleted and before a subsequent capital  
8 planning exercise.

9           “(iv) LIMITATION ON QUALITATIVE  
10 CAPITAL PLANNING OBJECTIONS.—In car-  
11 rying out CCAR, the Board of Governors  
12 may not object to a company’s capital plan  
13 on the basis of qualitative deficiencies in  
14 the company’s capital planning process.

15           “(v) COMPANY INQUIRIES.—The  
16 Board of Governors shall establish and  
17 publish procedures for responding to in-  
18 quiries from companies subject to CCAR,  
19 including establishing the time frame in  
20 which such responses will be made, and  
21 make such procedures publicly available.

22           “(vi) CCAR DEFINED.—For purposes  
23 of this subparagraph and subparagraph  
24 (E), the term ‘CCAR’ means the Com-

1                   prehensive Capital Analysis and Review es-  
2                   tablished by the Board of Governors.”; and  
3                   (2) in paragraph (2)(A), by striking “semi-  
4                   annual” and inserting “annual”.

