

114TH CONGRESS
2D SESSION

H. R. 2209

AN ACT

To require the appropriate Federal banking agencies to treat certain municipal obligations as level 2A liquid assets, 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,*

1 **SECTION 1. TREATMENT OF CERTAIN MUNICIPAL OBLIGA-**
2 **TIONS.**

3 (a) IN GENERAL.—Section 18 of the Federal Deposit
4 Insurance Act (12 U.S.C. 1828) is amended—

5 (1) by moving subsection (z) so that it appears
6 after subsection (y); and

7 (2) by adding at the end the following:

8 “(aa) TREATMENT OF CERTAIN MUNICIPAL OBLIGA-
9 TIONS.—

10 “(1) IN GENERAL.—For purposes of the final
11 rule titled ‘Liquidity Coverage Ratio: Liquidity Risk
12 Measurement Standards; Final Rule’ (79 Fed. Reg.
13 61439; published October 10, 2014) (the ‘Final
14 Rule’) and any other regulation which incorporates
15 a definition of the term ‘high-quality liquid asset’,
16 the appropriate Federal banking agencies shall treat
17 a municipal obligation that is both liquid and readily
18 marketable (as defined in the Final Rule) and in-
19 vestment grade as of the calculation date as a high-
20 quality liquid asset that is a level 2A liquid asset.

21 “(2) DEFINITIONS.—For purposes of this sub-
22 section:

23 “(A) INVESTMENT GRADE.—With respect
24 to an obligation, the term ‘investment grade’
25 has the meaning given that term under part 1
26 of title 12, Code of Federal Regulations.

1 “(B) MUNICIPAL OBLIGATION.—The term
2 ‘municipal obligation’ means an obligation of a
3 State or any political subdivision thereof, or any
4 agency or instrumentality of a State or any po-
5 litical subdivision thereof.”.

6 (b) AMENDMENT TO LIQUIDITY COVERAGE RATIO
7 REGULATIONS.—Not later than the end of the 3-month
8 period beginning on the date of the enactment of this Act,
9 the Federal Deposit Insurance Corporation, the Board of
10 Governors of the Federal Reserve System, and the Comp-
11 troller of the Currency shall amend the final rule titled
12 “Liquidity Coverage Ratio: Liquidity Risk Measurement
13 Standards; Final Rule” (79 Fed. Reg. 61439; published
14 October 10, 2014) to implement the amendments made
15 by this Act.

 Passed the House of Representatives February 1,
2016.

Attest:

Clerk.

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