

TITLE VI: IMPROVEMENTS TO REGULATION OF BANK AND SAVINGS ASSOCIATION HOLDING COMPANIES AND DEPOSITORY INSTITUTIONS

- Mandates minimum leverage and risk-based capital requirements for insured depository institutions and their holding companies as well as non-bank financial companies subject to prudential regulation. Regulators are also required to adapt capital as banks grow in size or engage in “risky” activities. Significantly, Tier I capital may be composed of only true equity and exclude debit items such as “trust preferred securities.”
- Imposes concentration limits, thereby limited mergers and acquisitions by large institutions.
- Imposes three-year moratorium on industrial loan corporations, credit card banks and certain trust banks; requires GAO study.