



## MUTUAL ALERT

### **Senate Banking Unveils New Plan to Claw back compensation of Management of Failed Banks; Plan would Carve Out Banks under \$10 Billion**

Late Thursday evening, Senate Banking Committee Chair Sherrod Brown (D-OH) and Sen. Tim Scott (R-SC) [proposed a bill](#) that would impose tougher penalties on executives at failed banks. Reports are the bill would allow regulators and bank boards to recoup up to two years of executive compensation from management of failed institutions. **Banks with assets under \$10 billion are excluded from this proposal** which would include all mutuals. We continue to urge members of Congress to avoid legislation that unintentionally affects all institutions even those not part of the problem. We are pleased that our message is being received.

The proposal comes after President Biden's call for tougher penalties on leadership at failed banks. However, there is some concern around getting support from Sen. Elizabeth Warren (D-MA), who revealed her own proposal earlier this month with strong support. The consequences for executives in Senator Warren's bill are much wider-reaching than the penalties proposed by Brown and Scott.

The Committee will vote on the bill this upcoming Wednesday, June 21, and anticipates a markup of the bill to happen before the July 4 recess.

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June 16, 2023