

116TH CONGRESS  
1ST SESSION

# S. 2057

To establish a National Climate Bank.

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IN THE SENATE OF THE UNITED STATES

JULY 8, 2019

Mr. MARKEY (for himself, Mr. VAN HOLLEN, Mr. SCHATZ, and Mr. BLUMENTHAL) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

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## A BILL

To establish a National Climate Bank.

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 “National Climate Bank  
5       Act”.

6       **SEC. 2. NATIONAL CLIMATE BANK.**

7       (a) IN GENERAL.—Title LXII of the Revised Stat-  
8       utes (12 U.S.C. 21 et seq.) is amended by adding at the  
9       end the following:

1       **“CHAPTER FIVE—NATIONAL CLIMATE**  
 2                               **BANK**

“Sec.  
 “5245. Findings.  
 “5245A. Definitions.  
 “5245B. Establishment.  
 “5245C. Purpose.  
 “5245D. Investments and procurements division.  
 “5245E. Start-up division.  
 “5245F. Project types.  
 “5245G. Cash for carbon program.  
 “5245H. Project and Investment attributes.  
 “5245I. Board of Directors.  
 “5245J. Administration.  
 “5245K. Establishment of risk and audit committees.  
 “5245L. External oversight.  
 “5245M. Maximum contingent liability.

3       **“SEC. 5245. FINDINGS.**

4               “Congress finds that—

5                       “(1) the October 2018 report entitled ‘Special  
 6               Report on Global Warming of 1.5 C’ by the Inter-  
 7               governmental Panel on Climate Change and the No-  
 8               vember 2018 Fourth National Climate Assessment  
 9               report found that—

10                      “(A) human activity is the dominant cause  
 11                      of observed climate change over the past cen-  
 12                      tury;

13                      “(B) a changing climate is causing sea lev-  
 14                      els to rise and an increase in wildfires, severe  
 15                      storms, droughts, and other extreme weather  
 16                      events that threaten human life, healthy com-  
 17                      munities, and critical infrastructure;

1 “(C) global warming at or above 2 degrees  
2 Celsius beyond pre-industrialized levels will  
3 cause—

4 “(i) mass migration from the regions  
5 most affected by climate change;

6 “(ii) more than \$500,000,000,000 in  
7 lost annual economic output in the United  
8 States by the year 2100;

9 “(iii) wildfires that, by 2050, will an-  
10 nually burn at least twice as much forest  
11 area in the western United States than  
12 was typically burned by wildfires in the  
13 years preceding 2019;

14 “(iv) a loss of more than 99 percent  
15 of all coral reefs on Earth;

16 “(v) more than 350,000,000 more  
17 people to be exposed globally to deadly  
18 heat stress by 2050; and

19 “(vi) a risk of damage to  
20 \$1,000,000,000,000 of public infrastruc-  
21 ture and coastal real estate in the United  
22 States; and

23 “(D) global temperatures must be kept  
24 below 1.5 degrees Celsius above pre-industri-

1 alized levels to avoid the most severe impacts of  
2 a changing climate, which will require—

3 “(i) global reductions in greenhouse  
4 gas emissions from human sources of 40 to  
5 60 percent from 2010 levels by 2030; and

6 “(ii) net-zero global emissions by  
7 2050;

8 “(2)(A) according to Bloomberg New Energy  
9 Finance, in 2018, approximately \$64,000,000,000  
10 was invested in renewable energy in the United  
11 States; and

12 “(B) according to the International Energy  
13 Agency, in 2018, approximately \$42,000,000,000  
14 was invested in energy efficiency in North America;

15 “(3) investments in renewable energy and en-  
16 ergy efficiency have a demonstrated track record of  
17 increasing jobs while lowering the cost of new renew-  
18 able energy investments, which benefits the clean en-  
19 ergy economy;

20 “(4) green banks can be used to accelerate in-  
21 vestment in—

22 “(A) new and emerging technologies; and

23 “(B) new and innovative financing prod-  
24 ucts to leverage private sector financing;

1 “(5) green banking has a demonstrated track  
2 record of success at increasing investment in the  
3 clean energy economy;

4 “(6) green banks have led to \$3,670,000,000 of  
5 investment in cost-effective clean energy projects  
6 across the United States, lowering energy costs for  
7 end-users, with that investment total composed of—

8 “(A) \$1,079,000,000 in public funds; and

9 “(B) \$2,591,000,000 in private and phil-  
10 anthropic capital;

11 “(7) in 2018, green banks were operating in a  
12 number of States and other jurisdictions, includ-  
13 ing—

14 “(A) the District of Columbia; and

15 “(B) the States of—

16 “(i) Colorado;

17 “(ii) Connecticut;

18 “(iii) Florida;

19 “(iv) Hawaii;

20 “(v) Maryland;

21 “(vi) Michigan;

22 “(vii) Nevada;

23 “(viii) New York; and

24 “(ix) Rhode Island;

1           “(8) in the many different types of electricity  
2           markets around the country, achieving 100 percent  
3           market penetration of clean energy will require deliv-  
4           ery of clean electric energy that is cheaper than al-  
5           ternative fossil-fuel based electricity;

6           “(9) market-based clean energy financing tools,  
7           such as those used by existing State and local green  
8           banks, can be used—

9                   “(A) to accelerate the deployment of clean  
10                  energy;

11                  “(B) to reduce greenhouse gas emissions in  
12                  the United States by substituting fossil-fuel  
13                  based energy with lower-cost clean energy;

14                  “(C) to unlock private investment by offer-  
15                  ing complementary capital that can change the  
16                  dynamics of a capital stack and make new  
17                  projects worth investing in for private sector  
18                  capital providers; and

19                  “(D) to open new markets for greater in-  
20                  vestment and increase opportunities for commu-  
21                  nities and the private sector; and

22           “(10) the Federal Government can accelerate  
23           and rapidly expand the deployment of clean energy  
24           technologies by creating a dedicated financial insti-  
25           tution that can support the work of existing green

1 banks and provide greater capital for efforts to re-  
 2 duce emissions, increasing the overall scale of clean  
 3 energy investment and the pace of substitution of  
 4 clean energy technologies for fossil-fuel based tech-  
 5 nologies.

6 **“SEC. 5245A. DEFINITIONS.**

7 “In this chapter:

8 “(a) BANK.—The term ‘Bank’ means the National  
 9 Climate Bank established under section 5245B.

10 “(b) BOARD.—The term ‘Board’ means the Board of  
 11 Directors of the National Climate Bank established under  
 12 section 5245I.

13 “(c) CHIEF EXECUTIVE OFFICER.—The term ‘Chief  
 14 Executive Officer’ means the Chief Executive Officer of  
 15 the Board appointed under section 5245I(i).

16 “(d) GREEN BANK.—The term ‘green bank’ means  
 17 a dedicated public or nonprofit specialized finance entity  
 18 that—

19 “(1) is designed to drive private capital into  
 20 market gaps for low- and zero-emission goods and  
 21 services;

22 “(2) uses finance tools to mitigate climate  
 23 change;

24 “(3) does not take deposits;

1           “(4) is funded by government, public, private,  
2           or charitable contributions; and

3           “(5) invests—

4                   “(A) alone; or

5                   “(B) in conjunction with other investors.

6           “(e) **PROCUREMENT.**—The term ‘procurement’  
7 means the purchase, lease, or acquisition of real or per-  
8 sonal property on a bid, negotiated, or open-market basis,  
9 including through a sole-source procurement or in such  
10 other manner as the Board and Chief Executive Officer  
11 determine to be appropriate and in the best interests of  
12 reducing emissions.

13 **“SEC. 5245B. ESTABLISHMENT.**

14           “(a) **IN GENERAL.**—Not later than 1 year after the  
15 date of enactment of this chapter, there shall be estab-  
16 lished in the District of Columbia a bank, to be known  
17 as the ‘National Climate Bank’, in accordance with this  
18 chapter.

19           “(b) **LEGAL STATUS.**—The Bank shall be an inde-  
20 pendent, nonprofit entity outside of the Federal Govern-  
21 ment.

22           “(c) **FULL FAITH AND CREDIT.**—The full faith and  
23 credit of the United States shall not extend to the Bank.

1 **“SEC. 5245C. PURPOSE.**

2 “The purpose of the Bank is to make the United  
3 States a world leader in combating the causes and effects  
4 of climate change and reducing emissions in the United  
5 States for every dollar spent by the Bank, through the  
6 rapid deployment of mature technologies and the commer-  
7 cialization and scaling of new technologies, including by—

8 “(1) providing financing support for invest-  
9 ments in the United States in clean and low-emis-  
10 sions technologies and processes;

11 “(2) conducting low-cost procurements in the  
12 United States that will be used to lower emissions;

13 “(3) catalyzing and mobilizing private capital  
14 through Federal investment and supporting a more  
15 robust marketplace for clean technologies, while  
16 minimizing competition with private investment;

17 “(4) enabling low- and moderate-income indi-  
18 viduals and communities to benefit from and afford  
19 projects and investments that reduce emissions;

20 “(5) increasing the efficiency and effectiveness  
21 of Federal financing programs that support positive  
22 climate outcomes, such as reduced emissions; and

23 “(6) supporting the creation of green banks  
24 within the United States where green banks do not  
25 exist.

1   **“SEC. 5245D. INVESTMENTS AND PROCUREMENTS DIVI-**  
2                           **SION.**

3           “(a) IN GENERAL.—There shall be within the Bank  
4 an investments and procurements division, which shall be  
5 responsible for—

6                   “(1) equity investments in clean energy  
7 projects;

8                   “(2) ensuring appropriate debt and risk mitiga-  
9 tion products are offered;

10                   “(3) overseeing prudent, noncontrolling equity  
11 investments;

12                   “(4) procurements that will be used to reduce  
13 emissions and the cost of emissions reductions  
14 through aggregation of demand and other market-  
15 based approaches; and

16                   “(5) greenhouse gas emissions mitigation ef-  
17 forts.

18           “(b) INVESTMENT COMMITTEE.—The suite of debt  
19 and risk mitigation products and equity investments made  
20 by the Bank shall be—

21                   “(1) approved by an investment committee of  
22 the Board; and

23                   “(2) consistent with an investment policy that  
24 has been established by the investment committee of  
25 the Board in consultation with the risk management  
26 committee of the Board.

1       “(c) DEBT PRODUCTS.—Debt products and invest-  
 2       ments by the Bank shall include direct lending, colending,  
 3       and credit enhancements.

4       **“SEC. 5245E. START-UP DIVISION.**

5       “There shall be within the Bank a start-up division,  
 6       which shall be responsible for providing technical assist-  
 7       ance to States and other political subdivisions that do not  
 8       have green banks to establish independent, nonprofit  
 9       green banks in those States and political subdivisions, in-  
 10      cluding by working with relevant stakeholders in those  
 11      States and political subdivisions.

12      **“SEC. 5245F. PROJECT TYPES.**

13      “The Bank shall seek to facilitate affordable invest-  
 14      ment and procurement, including in low-income commu-  
 15      nities and communities of color, in the following key areas:

16              “(1) Renewable energy.

17              “(2) Energy storage.

18              “(3) Transportation, including—

19                      “(A) low- and zero-emission vehicle infra-  
 20              structure;

21                      “(B) transit-oriented development; and

22                      “(C) active transportation.

23              “(4) Transmission for clean energy.

24              “(5) Climate resiliency measures.

1           “(6) Energy and water efficiency, including res-  
2           idential, commercial, and industrial efficiency.

3           “(7) Reforestation of degraded land.

4           “(8) Agricultural projects.

5           “(9) Electrification and decarbonization of in-  
6           dustrial processes.

7           “(10) Any other key area identified by the  
8           Board as consistent with the purpose of the Bank  
9           described in section 5245C.

10   **“SEC. 5245G. CASH FOR CARBON PROGRAM.**

11           “(a) ESTABLISHMENT.—Pursuant to guidance and  
12           rules issued by the Board, the Bank shall explore the es-  
13           tablishment of a cash for carbon program to remove green-  
14           house gas emissions from the power system.

15           “(b) PURPOSE.—Any program established under sub-  
16           section (a) may use market mechanisms to expedite the  
17           retirement of carbon-intensive power generation facilities,  
18           such as coal-fired power generation facilities, acquire car-  
19           bon assets for the purpose of reducing emissions, and in-  
20           vest in communities negatively affected by the loss of those  
21           facilities or assets, including market mechanisms such  
22           as—

23                   “(1) reverse auctions;

24                   “(2) securitization;

1           “(3) the offering of bidder’s credits to facilities  
 2           that pose significant environmental justice or health  
 3           concerns, particularly in low-income, minority, and  
 4           distressed neighborhoods (within the meaning of sec-  
 5           tion 910 of the Housing and Community Develop-  
 6           ment Act of 1992 (12 U.S.C. 2901 note; Public Law  
 7           102–550)); and

8           “(4) the provision of investment and technical  
 9           assistance to the local community and site of a facil-  
 10          ity, including, where necessary, in cooperation  
 11          with—

12                   “(A) the Administrator of the Environ-  
 13                   mental Protection Agency; or

14                   “(B) other Federal, State, or local authori-  
 15                   ties.

16          “(c) EXPANSION OF PROGRAM.—The Board may ex-  
 17          pand any program established under subsection (a) to ad-  
 18          ditional carbon-intensive economic sectors beyond power  
 19          generation, as determined to be appropriate by the Board.

20      **“SEC. 5245H. PROJECT AND INVESTMENT ATTRIBUTES.**

21          “(a) IN GENERAL.—The Bank may—

22                   “(1) provide financing to regional, State, and  
 23                   local green banks; and

24                   “(2) invest directly in projects that reduce  
 25                   emissions across the United States.

1       “(b) PRIORITY.—In carrying out subsection (a), the  
2 Bank shall—

3               “(1) give priority to projects that—

4                       “(A) provide jobs;

5                       “(B) mitigate greenhouse gas emissions;

6               and

7                       “(C) serve—

8                               “(i) low-income, minority, and dis-  
9                               tressed neighborhoods (within the meaning  
10                              of section 910 of the Housing and Commu-  
11                              nity Development Act of 1992 (12 U.S.C.  
12                              2901 note; Public Law 102–550)); or

13                             “(ii) low-income, minority, and rural  
14                             consumers (within the meaning of the final  
15                             rule of the Bureau of Consumer Financial  
16                             Protection entitled ‘Ability-to-Repay and  
17                             Qualified Mortgage Standards Under the  
18                             Truth in Lending Act (Regulation Z)’ (78  
19                             Fed. Reg. 6408 (January 30, 2013)));

20               “(2) ensure that projects provide access to low-  
21               carbon infrastructure, including clean power, clean  
22               water, and reliable, high-quality transportation, at  
23               affordable rates to families in—

24                       “(A) low-income, minority, and distressed  
25                       neighborhoods (within the meaning of section

1           910 of the Housing and Community Develop-  
 2           ment Act of 1992 (12 U.S.C. 2901 note; Public  
 3           Law 102–550)); or

4           “(B) a rural area (as defined in section  
 5           343(a) of the Consolidated Farm and Rural  
 6           Development Act (7 U.S.C. 1991(a)); and

7           “(3) ensure that any residential energy effi-  
 8           ciency or distributed clean energy project in which  
 9           the Bank invests directly under subsection (a)(2)  
 10          and provides financing to a consumer directly or  
 11          through a program funded directly or indirectly by  
 12          the Bank complies with the requirements of the  
 13          Consumer Credit Protection Act (15 U.S.C. 1601 et  
 14          seq.), including, in the case of a financial product  
 15          that is a residential mortgage loan, any require-  
 16          ments of title I of that Act relating to residential  
 17          mortgage loans (including any regulations promul-  
 18          gated by the Bureau of Consumer Financial Protec-  
 19          tion under section 129C(b)(3)(C) of that Act (15  
 20          U.S.C. 1639(b)(3)(C))).

21   **“SEC. 5245I. BOARD OF DIRECTORS.**

22          “(a) IN GENERAL.—The Bank shall operate under  
 23          the direction of a Board of Directors, which shall be com-  
 24          posed of 7 members from private, government, nonprofit,  
 25          and other groups, of whom—

1           “(1) 1 shall be the Secretary of the Treasury  
2           (or a designee);

3           “(2) 1 shall be the Secretary of Energy (or a  
4           designee);

5           “(3) 1 shall be the Director of the Bureau of  
6           Consumer Financial Protection (or a designee); and

7           “(4) 4 shall be appointed by the President, with  
8           the advice and consent of the Senate, of whom—

9                   “(A) 1 shall have expertise regarding re-  
10                   newable energy or energy efficiency;

11                   “(B) 1 shall have expertise regarding fi-  
12                   nance;

13                   “(C) 1 shall have expertise in industrial  
14                   processes and manufacturing; and

15                   “(D) 1 shall have expertise regarding sus-  
16                   tainable transportation.

17           “(b) QUORUM.—Five members of the Board shall  
18           constitute a quorum.

19           “(c) BYLAWS.—

20                   “(1) IN GENERAL.—The Board shall adopt, and  
21                   may amend, such bylaws as are necessary for the  
22                   proper management and functioning of the Bank.

23                   “(2) OFFICERS.—In the bylaws described in  
24                   paragraph (1), the Board shall—

1                   “(A) designate the officers of the Bank;  
2                   and

3                   “(B) prescribe the duties of those officers.

4           “(d) TERMS.—

5                   “(1) INITIAL TERMS.—The initial terms of the  
6           members of the Board shall be 5 years.

7                   “(2) SUBSEQUENT TERMS.—For terms begin-  
8           ning after the date that is 5 years after the date of  
9           enactment of this section, the Board shall create  
10          staggered terms of 3, 4, and 5 years for members  
11          of the Board.

12          “(e) VACANCIES.—Any vacancy on the Board shall  
13          be filled in the same manner in which the original appoint-  
14          ment was made.

15          “(f) INTERIM APPOINTMENTS.—A member appointed  
16          to fill a vacancy occurring before the expiration of the  
17          term for which the predecessor of that member was ap-  
18          pointed shall serve for the remainder of the term for which  
19          the predecessor of that member was appointed.

20          “(g) REAPPOINTMENT.—A Member of the Board  
21          may be reappointed for not more than 1 additional term  
22          of service as a member of the Board.

23          “(h) CONTINUATION OF SERVICE.—A member of the  
24          Board whose term has expired may continue to serve on

1 the Board until the date on which a successor member  
2 is appointed and confirmed.

3 “(i) CHIEF EXECUTIVE OFFICER.—The Board shall  
4 appoint a Chief Executive Officer who shall be responsible  
5 for—

6 “(1) hiring employees of the Bank;

7 “(2) establishing the 2 divisions of the Bank  
8 described in sections 5245D and 5245E; and

9 “(3) performing any other tasks necessary for  
10 the day-to-day operations of the Bank.

11 “(j) ADVISORY COMMITTEE.—

12 “(1) ESTABLISHMENT.—The Bank shall estab-  
13 lish an advisory committee, which shall be composed  
14 of not more than 13 members appointed by the  
15 Board on the recommendation of the president of  
16 the Bank.

17 “(2) MEMBERS.—Members of the advisory com-  
18 mittee shall be broadly representative of interests  
19 concerned with the environment, production, com-  
20 merce, finance, agriculture, labor, services, and  
21 State government, of whom—

22 “(A) not fewer than 3 shall be representa-  
23 tives of the small business community;

1           “(B) not fewer than 2 shall be representa-  
 2           tives of the labor community, except that no 2  
 3           members may be from the same labor union;

4           “(C) not fewer than 2 shall be representa-  
 5           tives of the environmental nongovernmental or-  
 6           ganization community, except that no 2 mem-  
 7           bers may be from the same environmental orga-  
 8           nization;

9           “(D) not fewer than 2 shall be representa-  
 10          tives of the environmental justice nongovern-  
 11          mental organization community, except that no  
 12          2 members may be from the same environ-  
 13          mental organization; and

14          “(E) not fewer than 2 shall be representa-  
 15          tives of the consumer protection and fair lend-  
 16          ing community, except that no 2 members may  
 17          be from the same consumer protection or fair  
 18          lending organization.

19          “(3) MEETINGS.—The advisory committee shall  
 20          meet not less frequently than once each quarter.

21          “(4) DUTIES.—The advisory committee shall—

22               “(A) advise the Bank on the programs un-  
 23               dertaken by the Bank; and

24               “(B) submit to Congress an annual report  
 25               with comments from the advisory committee on

1 the extent to which the Bank is meeting the  
2 mandate described in section 5245C, including  
3 any suggestions for improvement.

4 “(k) CHIEF RISK OFFICER.—

5 “(1) APPOINTMENT.—Subject to the approval  
6 of the Board, the Chief Executive Officer shall ap-  
7 point a Chief Risk Officer from among individuals  
8 with experience at a senior level in financial risk  
9 management, who—

10 “(A) shall report directly to the Board;  
11 and

12 “(B) shall be removable only by a majority  
13 vote of the Board.

14 “(2) DUTIES.—The Chief Risk Officer, in co-  
15 ordination with the audit and risk management com-  
16 mittees established under section 5245K, shall de-  
17 velop, implement, and manage a comprehensive proc-  
18 ess for identifying, assessing, monitoring, and lim-  
19 iting risks to the Bank, including the overall port-  
20 folio diversification of the Bank.

21 **“SEC. 5245J. ADMINISTRATION.**

22 “(a) CAPITALIZATION.—

23 “(1) IN GENERAL.—The Bank shall be capital-  
24 ized—

1           “(A) with \$10,000,000,000 on the date on  
2           which the Bank is established under section  
3           5245B; and

4           “(B) with \$5,000,000,000 for each of the  
5           5 years following that date.

6           “(2) FUNDING.—

7           “(A) INITIAL CAPITALIZATION.—On the  
8           date on which the Bank is established under  
9           section 5245B, out of any funds in the Treas-  
10          ury not otherwise appropriated, the Secretary of  
11          the Treasury shall transfer to the Bank the  
12          amount specified in paragraph (1)(A).

13          “(B) SUBSEQUENT TRANSFERS.—On Oc-  
14          tober 1 of each fiscal year following the date on  
15          which the Bank is established under section  
16          5245B, out of any funds in the Treasury not  
17          otherwise appropriated, the Secretary of the  
18          Treasury shall transfer to the Bank the amount  
19          specified in paragraph (1)(B).

20          “(b) CHARTER.—The Bank shall establish a charter,  
21          the term of which shall be 30 years.

22          “(c) OPERATIONAL FUNDS.—To sustain operations,  
23          the Bank shall manage revenue from financing fees, inter-  
24          est, repaid loans, and other types of funding.

1       “(d) REPORT.—The Bank shall submit on a quar-  
 2       terly basis to the relevant committees of Congress a report  
 3       that describes the financial activities, emissions reduc-  
 4       tions, and private capital mobilization metrics of the Bank  
 5       for the previous quarter.

6       “(e) RESTRICTION.—The Bank shall not accept de-  
 7       posits.

8       “(f) COMMITTEES.—The Board shall establish com-  
 9       mittees and subcommittees, including—

10               “(1) an investment committee; and

11               “(2) in accordance with section 5245K—

12                       “(A) a risk management committee; and

13                       “(B) an audit committee.

14       “(g) PRIVATE CONTRIBUTIONS.—The Bank may ac-  
 15       cept and use philanthropic funds.

16       **“SEC. 5245K. ESTABLISHMENT OF RISK MANAGEMENT COM-**  
 17       **MITTEE AND AUDIT COMMITTEE.**

18       “(a) IN GENERAL.—To assist the Board in fulfilling  
 19       the duties and responsibilities of the Board under this  
 20       Chapter, the Board shall establish a risk management  
 21       committee and an audit committee.

22       “(b) DUTIES AND RESPONSIBILITIES OF RISK MAN-  
 23       AGEMENT COMMITTEE.—Subject to the direction of the  
 24       Board, the risk management committee established under

1 subsection (a) shall establish policies for and have over-  
 2 sight responsibility of—

3 “(1) formulating the risk management policies  
 4 of the operations of the Bank;

5 “(2) reviewing and providing guidance on oper-  
 6 ation of the global risk management framework of  
 7 the Bank;

8 “(3) developing policies for—

9 “(A) investment;

10 “(B) enterprise risk management;

11 “(C) monitoring; and

12 “(D) management of strategic,  
 13 reputational, regulatory, operational, develop-  
 14 mental, environmental, social, and financial  
 15 risks; and

16 “(4) developing the risk profile of the Bank, in-  
 17 cluding—

18 “(A) a risk management and compliance  
 19 framework; and

20 “(B) a governance structure to support  
 21 that framework.

22 “(c) DUTIES AND RESPONSIBILITIES OF AUDIT COM-  
 23 MITTEE.—Subject to the direction of the Board, the audit  
 24 committee established under subsection (a) shall have  
 25 oversight responsibility of—

1 “(1) the integrity of—

2 “(A) the financial reporting of the Bank;

3 and

4 “(B) the systems of internal controls re-  
5 garding finance and accounting;

6 “(2) the integrity of the financial statements of  
7 the Bank;

8 “(3) the performance of the internal audit func-  
9 tion of the Bank; and

10 “(4) compliance with the legal and regulatory  
11 requirements related to the finances of the Bank.

12 **“SEC. 5245L. EXTERNAL OVERSIGHT.**

13 “The Bank shall be subject to the oversight of the  
14 Comptroller of the Currency in accordance with section  
15 5169(c).

16 **“SEC. 5245M. MAXIMUM CONTINGENT LIABILITY.**

17 “The maximum contingent liability of the Bank that  
18 may be outstanding at any 1 time shall be not more than  
19 \$70,000,000,000 in the aggregate.”.

20 (b) EXTERNAL OVERSIGHT.—Section 5169 of the  
21 Revised Statutes (12 U.S.C. 27) is amended by adding  
22 at the end the following:

23 “(c) NATIONAL CLIMATE BANK.—The Comptroller  
24 shall exempt, expand, or alter specific regulations applica-  
25 ble to the National Climate Bank to better suit the pur-

1 pose and business model of the National Climate Bank  
 2 as an independent, nonprofit, nondepository banking insti-  
 3 tution.”.

4 (c) INSPECTOR GENERAL OF THE NATIONAL CLI-  
 5 MATE BANK.—

6 (1) IN GENERAL.—Section 8G(a) of the Inspec-  
 7 tor General Act of 1978 (5 U.S.C. App.) is amend-  
 8 ed—

9 (A) in paragraph (2), by inserting “the  
 10 National Climate Bank,” after “the National  
 11 Archives and Records Administration,”; and

12 (B) in paragraph (4)—

13 (i) in subparagraph (I), by striking  
 14 “and” at the end;

15 (ii) in subparagraph (J), by inserting  
 16 “and” after “Corporation;”; and

17 (iii) by adding at the end the fol-  
 18 lowing:

19 “(K) with respect to the National Climate  
 20 Bank, such term means the Board of Directors  
 21 of the National Climate Bank;”.

22 (2) APPOINTMENT.—Notwithstanding the first  
 23 sentence of section 8G(b) of the Inspector General  
 24 Act of 1978 (5 U.S.C. App.), not later than 180  
 25 days after the National Climate Bank is established

1       under chapter five of title LXII of the Revised Stat-  
2       utes—

3               (A) the first Inspector General of the Na-  
4       tional Climate Bank shall be appointed; and

5               (B) the Office of the Inspector General of  
6       the National Climate Bank shall be established.

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