**Fossil Free Finance Act Overview**

*House Sponsors***:** Rep. Mondaire Jones, Rep. Rashida Tlaib, Rep. Ayanna Pressley

*Endorsing Organizations:* Public Citizen, 350.org, Evergreen Action, Zero Hour, Stand.earth, Friends of the Earth US, Future Coalition, Action Center on Race and the Economy, Revolving Door Project, Sunrise Movement, Americans for Financial Reform, Sierra Club

### Bank Emissions Reduction
[The Fossil Free Finance Act](#) amends the *Bank Holding Companies Act* to require the Federal Reserve to mandate, via regulation or guidance, that all bank holding companies with more than $50 billion in assets align their financing of greenhouse gas emissions and deforestation risk commodities with science-based emissions targets.

This bill will mandate alignment with our obligations under the Paris Climate Agreement and the emissions financing reduction targets below:
- 50% reduction in financed emissions by 2030
- 100% reduction in financed emissions by 2050
- Prohibits new or expanded fossil fuel projects after 2022
- Prohibits the financing of all fossil fuel projects after 2030
- Prohibits thermal coal financing after 2024

### Nonbank Systemically Important Financial Institutions (SIFIs) Emissions Reduction
The Fossil Free Finance Act amends the *Dodd-Frank Wall Street Reform and Consumer Protection Act* to incorporate the financing of emissions into the SIFI designation process and codifies the Federal Reserve's authority to mandate alignment with the emissions reduction framework outlined above. This bill,

- Adds financed emissions to the list of criteria for a nonbank financial institution to be designated SIFIs.
- Codifies the Federal Reserve's authority to require SIFIs to wind down financed emissions as part of their financial stability mandate.
- Subjects nonbank SIFIs to the emissions reduction targets listed above.

### Reporting to Congress
The Fossil Free Finance Act requires the Federal Reserve to report to Congress on the commitments made by banks and nonbank SIFIs to reduce financed emissions and progress on those targets.