California Republican **Rep. John Campbell** has a solution to address what he believes is a moral hazard problem affecting big banks, while protecting the nation's key banking system.

"We have to allow a Bank of America, a Wells Fargo or JPMorgan to fail, not use taxpayer money and still allow the system to continue," Campbell told Yahoo! Finance. **"That's what [my] bill is designed to do."**

Campbell's Systemic Risk Mitigation Act would require large banks to hold at least 15 percent of their assets in long-term bonds. If a bank does fail, those bondholders would have to take a loss of at least 20 percent, which could pressure banks to reduce their debt and protect taxpayers from a government bank bailout.

"Having investors with a lot of skin in the game is a better regulator than having a government regulating watchdog," said Campbell.

As of now Campbell says he hasn't sought co-sponsors for his bill.

"Everyone in this town is talking about 'too big to fail.' We have to fix it; we haven't fixed it."