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116TH CONGRESS
1ST SESSION

H. R. 241

To amend the Bank Service Company Act to provide improvements with respect to State banking agencies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2019

Mr. WILLIAMS introduced the following bill; which was referred to the Committee on Financial Services

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A BILL

To amend the Bank Service Company Act to provide improvements with respect to State banking agencies, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Bank Service Company Examination Coordination Act of 2019''.

SEC. 2. BANK SERVICE COMPANY ACT IMPROVEMENTS.

The Bank Service Company Act (12 U.S.C. 1861 et seq.) is amended—

(1) in section 1(b)—

(A) by redesignating paragraphs (2) through (9) as paragraphs (3) through (10), respectively; and

(B) by inserting after paragraph (1) the following:

''(2) the term 'State banking agency' shall have the same meaning given the term 'State Bank Supervisor' under section 3 of the Federal Deposit Insurance Act;'';

(2) in section 5(a), by inserting '', in consultation with the State banking agency,'' after ''banking agency''; and

(3) in section 7—

(A) in subsection (a)—

(i) in the first sentence, by inserting ''or State banking agency'' after ''appropriate Federal banking agency''; and

(ii) in the second sentence, by striking ''Federal banking agency that supervises any other shareholder or member'' and inserting ''Federal or State banking agency that supervises any other shareholder or member'';

(B) in subsection (c)—

(i) by inserting ''or a State banking agency'' after ''appropriate Federal banking agency'';

(ii) by striking ''such agency'' each place such term appears and inserting ''such Federal or State agency'';

(C) by redesignating subsection (d) as subsection (f);

(D) by inserting after subsection (c) the following:

''(d) AVAILABILITY OF INFORMATION.—Information obtained pursuant to the regulation and examination of service providers under this section or applicable State law may be furnished by and accessible to Federal and State agencies to the same extent that supervisory information concerning depository institutions is authorized to be furnished to and required to be accessible by Federal and State agencies under section 7(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(2)) or State law, as applicable.

''(e) COORDINATION WITH STATE BANKING AGENCIES.—Where a State bank is principal shareholder or principal member of a bank service company or where a State bank is any other shareholder or member of the bank service company, the appropriate Federal banking

agency, in carrying out examinations authorized by this section, shall—

''(1) provide reasonable and timely notice to the State banking agency; and

''(2) to the fullest extent possible, coordinate and avoid duplication of examination activities, reporting requirements, and requests for information.'';

(E) in subsection (f), as so redesignated, by inserting '', in consultation with State banking agencies,'' after ''appropriate Federal banking agencies''; and

(F) by adding at the end the following:

''(g) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as granting authority for a State banking agency to examine a bank service company where no such authority exists in State law.''.

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