

105TH CONGRESS
2D SESSION

H. R. 4478

To require insured depository institutions, depository institution holding companies, and insured credit unions to protect the confidentiality of financial information obtained concerning their customers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 6, 1998

Mr. MARKEY introduced the following bill; which was referred to the
Committee on Banking and Financial Services

A BILL

To require insured depository institutions, depository institution holding companies, and insured credit unions to protect the confidentiality of financial information obtained concerning their customers, and for other purposes.

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 “Depository Institution
5 Customers Financial Privacy Enhancement Act of 1998”.

1 **SEC. 2. CONFIDENTIAL FINANCIAL INFORMATION OF CUS-**
2 **TOMERS OF DEPOSITORY INSTITUTIONS.**

3 (a) BANKS AND SAVINGS ASSOCIATIONS.—Section 18
4 of the Federal Deposit Insurance Act (12 U.S.C. 1828)
5 is amended by adding at the end the following new sub-
6 section:

7 “(t) PRIVACY OF FINANCIAL INFORMATION.—Not-
8 withstanding any other provision of law, the Federal bank-
9 ing agencies shall each prescribe regulations to require
10 each insured depository institution—

11 “(1) to protect the confidentiality of financial
12 information of, and relating to, the customers of the
13 institution;

14 “(2) to inform the customers of the institution
15 whenever—

16 “(A) financial information is being col-
17 lected that pertains to such customers; or

18 “(B) a depository institution intends (with
19 the approval of the customer pursuant to para-
20 graph (3)(B)) to offer financial information
21 pertaining to such customer to any other per-
22 son, including an affiliate or agent of such in-
23 stitution; and

24 “(3) to refrain, and to take measures reason-
25 ably designed to prevent their agents, from using,
26 disclosing, or permitting access to individually iden-

1 tifiable financial information pertaining to any cus-
2 tomer except—

3 “(A) for the provision of the financial serv-
4 ices from which such information is derived, or
5 services necessary to, or used in, the provision
6 of such services;

7 “(B) upon the affirmative written request,
8 or with the affirmative written consent, of the
9 customer to whom the information pertains; or

10 “(C) upon request of the appropriate Fed-
11 eral banking agency or as otherwise required by
12 law.”.

13 (b) CREDIT UNIONS.—Section 206 of the Federal
14 Credit Union Act (12 U.S.C. 1786) is amended by adding
15 at the end the following new subsection:

16 “(w) PRIVACY OF FINANCIAL INFORMATION.—Not-
17 withstanding any other provision of law, the Board shall
18 prescribe regulations to require each insured credit
19 union—

20 “(1) to protect the confidentiality of financial
21 information of, and relating to, the members of the
22 credit union;

23 “(2) to inform the members of the credit union
24 whenever—

1 “(A) financial information is being col-
2 lected that pertains to such members; or

3 “(B) a credit union intends (with the ap-
4 proval of the member pursuant to paragraph
5 (3)(B)) to offer financial information pertaining
6 to such member to any other person, including
7 an agent or affiliate of such credit union; and

8 “(3) to refrain, and to take measures reason-
9 ably designed to prevent their agents, from using,
10 disclosing, or permitting access to individually iden-
11 tifiable financial information pertaining to any mem-
12 ber except—

13 “(A) for the provision of the financial serv-
14 ices from which such information is derived, or
15 services necessary to, or used in, the provision
16 of such services;

17 “(B) upon the affirmative written request,
18 or with the affirmative written consent, of the
19 member to whom the information pertains; or

20 “(C) upon request of the Board or as oth-
21 erwise required by law.”.

1 **SEC. 3. CONFIDENTIAL FINANCIAL INFORMATION OF CUS-**
2 **TOMERS OF DEPOSITORY INSTITUTION**
3 **HOLDING COMPANIES.**

4 (a) BANK HOLDING COMPANY.—Section 4 of the
5 Bank Holding Company Act of 1956 (12 U.S.C. 1843)
6 is amended by adding at the end the following new sub-
7 section:

8 “(k) PRIVACY OF FINANCIAL INFORMATION.—Not-
9 withstanding any other provision of law, the Board shall
10 prescribe regulations to require any bank holding company
11 and any affiliate of a bank holding company (other than
12 a depository institution subsidiary of such company which
13 is subject to section 18(t) of the Federal Deposit Insur-
14 ance Act)—

15 “(1) to protect the confidentiality of financial
16 information of, and relating to, the customers of the
17 bank holding company or affiliate;

18 “(2) to inform a customer of the company or
19 affiliate whenever—

20 “(A) financial information is being col-
21 lected that pertains to such customer; or

22 “(B) the company or affiliate intends (with
23 the approval of the customer pursuant to para-
24 graph (3)(B)) to offer financial information
25 pertaining to such customer to any other per-

1 son, including another affiliate or an agent of
 2 such company or affiliate; and

3 “(3) to refrain, and to take measures reason-
 4 ably designed to prevent their agents, from using,
 5 disclosing, or permitting access to individually iden-
 6 tifiable financial information pertaining to any such
 7 customer except—

8 “(A) for the provision of the financial serv-
 9 ices from which such information is derived, or
 10 services necessary to, or used in, the provision
 11 of such services;

12 “(B) upon the affirmative written request,
 13 or with the affirmative written consent, of the
 14 customer to whom the information pertains; or

15 “(C) upon request of the Board or as oth-
 16 erwise required by law.”.

17 (b) SAVINGS AND LOAN HOLDING COMPANIES.—Sec-
 18 tion 10 of the Home Owners’ Loan Act (12 U.S.C. 1467a)
 19 is amended by adding at the end the following new sub-
 20 section:

21 “(u) PRIVACY OF FINANCIAL INFORMATION.—Not-
 22 withstanding any other provision of law, the Director shall
 23 prescribe regulations to require any savings and loan hold-
 24 ing company and any affiliate of a savings and loan hold-
 25 ing company (other than a depository institution subsidi-

1 ary of such company which is subject to section 18(t) of
2 the Federal Deposit Insurance Act)—

3 “(1) to protect the confidentiality of financial
4 information of, and relating to, the customers of the
5 savings and loan holding company or affiliate;

6 “(2) to inform a customer of the company or
7 affiliate whenever—

8 “(A) financial information is being col-
9 lected that pertains to such customer; or

10 “(B) the company or affiliate intends (with
11 the approval of the customer pursuant to para-
12 graph (3)(B)) to offer financial information
13 pertaining to such customer to any other per-
14 son, including another affiliate or an agent of
15 such company or affiliate; and

16 “(3) to refrain, and to take measures reason-
17 ably designed to prevent their agents, from using,
18 disclosing, or permitting access to individually iden-
19 tifiable financial information pertaining to any such
20 customer except—

21 “(A) for the provision of the financial serv-
22 ices from which such information is derived, or
23 services necessary to, or used in, the provision
24 of such services;

1 “(B) upon the affirmative written request,
2 or with the affirmative written consent, of the
3 customer to whom the information pertains; or
4 “(C) upon request of the Director or as
5 otherwise required by law.”.

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