

116TH CONGRESS
1ST SESSION

H. R. 241

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 11, 2019

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To amend the Bank Service Company Act to provide improvements with respect to State banking agencies, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Bank Service Company
3 Examination Coordination Act of 2019”.

4 **SEC. 2. BANK SERVICE COMPANY ACT IMPROVEMENTS.**

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

7 (1) in section 1(b)—

8 (A) by redesignating paragraphs (2)
9 through (9) as paragraphs (3) through (10), re-
10 spectively; and

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

13 “(2) the term ‘State banking agency’ shall have
14 the same meaning given the term ‘State Bank Su-
15 pervisor’ under section 3 of the Federal Deposit In-
16 surance Act;”;

17 (2) in section 5(a), by inserting “, in consulta-
18 tion with the State banking agency,” after “banking
19 agency”; and

20 (3) in section 7—

21 (A) in subsection (a)—

22 (i) in the first sentence, by inserting
23 “or State banking agency” after “appro-
24 priate Federal banking agency”; and

25 (ii) in the second sentence, by striking
26 “Federal banking agency that supervises

1 any other shareholder or member” and in-
2 sserting “Federal or State banking agency
3 that supervises any other shareholder or
4 member”;

5 (B) in subsection (c)—

6 (i) by inserting “or a State banking
7 agency” after “appropriate Federal bank-
8 ing agency”;

9 (ii) by striking “such agency” each
10 place such term appears and inserting
11 “such Federal or State agency”;

12 (C) by redesignating subsection (d) as sub-
13 section (f);

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

16 “(d) AVAILABILITY OF INFORMATION.—Information
17 obtained pursuant to the regulation and examination of
18 service providers under this section or applicable State law
19 may be furnished by and accessible to Federal and State
20 agencies to the same extent that supervisory information
21 concerning depository institutions is authorized to be fur-
22 nished to and required to be accessible by Federal and
23 State agencies under section 7(a)(2) of the Federal De-
24 posit Insurance Act (12 U.S.C. 1817(a)(2)) or State law,
25 as applicable.

1 “(e) COORDINATION WITH STATE BANKING AGEN-
 2 CIES.—Where a State bank is principal shareholder or
 3 principal member of a bank service company or where a
 4 State bank is any other shareholder or member of the
 5 bank service company, the appropriate Federal banking
 6 agency, in carrying out examinations authorized by this
 7 section, shall—

8 “(1) provide reasonable and timely notice to the
 9 State banking agency; and

10 “(2) to the fullest extent possible, coordinate
 11 and avoid duplication of examination activities, re-
 12 porting requirements, and requests for informa-
 13 tion.”;

14 (E) in subsection (f), as so redesignated,
 15 by inserting “, in consultation with State bank-
 16 ing agencies,” after “appropriate Federal bank-
 17 ing agencies”; and

18 (F) by adding at the end the following:

19 “(g) RULE OF CONSTRUCTION.—Nothing in this sec-
 20 tion shall be construed as granting authority for a State
 21 banking agency to examine a bank service company where
 22 no such authority exists in State law.”.

23 **SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.**

24 The budgetary effects of this Act, for the purpose of
 25 complying with the Statutory Pay-As-You-Go Act of 2010,

Attest: **CHERYL L. JOHNSON,**
Clerk.