

116TH CONGRESS
2D SESSION

H. R. 8740

To amend the Bank Service Company Act to cover credit unions to the same extent as such Act covers banks and savings associations, to provide the Director of the Federal Housing Finance Agency with the authority to regulate the provision of services provided to the Government-sponsored enterprises and Federal Home Loan Banks, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 12, 2020

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

A BILL

To amend the Bank Service Company Act to cover credit unions to the same extent as such Act covers banks and savings associations, to provide the Director of the Federal Housing Finance Agency with the authority to regulate the provision of services provided to the Government-sponsored enterprises and Federal Home Loan Banks, 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 “Strengthening Cyber-
5 security for the Financial Sector Act of 2020”.

1 **SEC. 2. INCLUSION OF CREDIT UNIONS UNDER THE BANK**
2 **SERVICE COMPANY ACT.**

3 The Bank Service Company Act is amended—

4 (1) in section 1(b) (12 U.S.C. 1861(b))—

5 (A) by amending paragraph (1) to read as
6 follows:

7 “(1) the term ‘appropriate Federal banking
8 agency’—

9 “(A) has the meaning given that term
10 under section 3 of the Federal Deposit Insur-
11 ance Act (12 U.S.C. 1813); and

12 “(B) means the National Credit Union Ad-
13 ministration, in the case of a credit union;”;

14 (B) by amending paragraph (5) to read as
15 follows:

16 “(5) the term ‘insured depository institution’—

17 “(A) has the meaning given that term
18 under section 3 of the Federal Deposit Insur-
19 ance Act (12 U.S.C. 1813); and

20 “(B) means an insured credit union, as de-
21 fined under section 101 of the Federal Credit
22 Union Act (12 U.S.C. 1752);”;

23 (C) in paragraph (8), by striking “and” at
24 the end;

25 (D) in paragraph (9)—

1 (i) by inserting before “and” the fol-
2 lowing: “, ‘savings association’,”; and

3 (ii) by striking the period at the end
4 and inserting a semicolon; and

5 (E) by adding at the end the following:

6 “(10) the term ‘credit union’ means a Federal
7 credit union or a State credit union; and

8 “(11) the terms ‘insured credit union’, ‘Federal
9 credit union’, and ‘State credit union’ have the
10 meaning given those terms, respectively, under sec-
11 tion 101 of the Federal Credit Union Act (12 U.S.C.
12 1752).”;

13 (2) in section 2 (12 U.S.C. 1862), by striking
14 “banks or savings associations” and inserting “de-
15 pository institutions”; and

16 (3) in section 4 (12 U.S.C. 1864)—

17 (A) in subsection (c), by striking “State
18 bank or State savings association” each place
19 such term appears and inserting “State bank,
20 State savings association, or State credit
21 union”;

22 (B) in subsection (d), by striking “national
23 bank or Federal savings association” each place
24 such term appears and inserting “national

1 bank, Federal savings association, or Federal
2 credit union”; and

3 (C) in subsection (f), by striking “banks or
4 savings associations” and inserting “depository
5 institutions”.

6 **SEC. 3. REGULATION OF SERVICE PROVIDERS BY FHFA.**

7 Subpart A of part 2 of subtitle A of the Federal
8 Housing Enterprises Financial Safety and Soundness Act
9 of 1992 (12 U.S.C. 4541 et seq.) is amended by adding
10 at the end the following new section:

11 **“SEC. 1329. REGULATION OF SERVICE PROVIDERS.**

12 “Whenever a Federal Home Loan Bank or enterprise
13 (or any subsidiary or affiliate of such a Bank or enter-
14 prise) causes to be performed for itself, by contract or oth-
15 erwise, any services, whether on or off its premises—

16 “(1) such performance shall be subject to regu-
17 lation and examination by the Director to the same
18 extent as if such services were being performed by
19 such Bank or enterprise itself on its own premises;
20 and

21 “(2) the Bank or enterprise shall notify the Di-
22 rector of the existence of the service relationship
23 within thirty days after the making of such service

- 1 contract or the performance of the service, whichever
- 2 occurs first.”.

