

I look forward to continuing to work with my colleagues on this important issue, and again, I thank and congratulate Mrs. BEATTY for her work on this legislation. I look forward to enthusiastically voting “yes.”

Mr. SAN NICOLAS. Mr. Speaker, I reserve the balance of my time to close.

Mr. STIVERS. Mr. Speaker, H.R. 281 is just common sense. It is a best practice in the industry. It has shown that it will increase the diversity of the staff, and we hope that it will work for the Federal Reserve banks.

The Federal Reserve banks’ record on diversity needs to be improved. I believe this is a great first step.

I congratulate my colleague JOYCE BEATTY from Ohio and my colleague ANTHONY GONZALEZ from Ohio for their incredible efforts on this. I am happy to be a cosponsor and urge adoption.

Mr. Speaker, I yield back the balance of my time.

Mr. SAN NICOLAS. Mr. Speaker, I yield myself the balance of my time.

Once again, I thank Representative BEATTY for bringing forward this legislation. I am excited to read about the Beatty rule in future financial news, and I am excited to see strong bipartisan support for something that is just common sense.

Mr. Speaker, I urge my colleagues to join me in supporting this legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Guam (Mr. SAN NICOLAS) that the House suspend the rules and pass the bill, H.R. 281, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

BANK SERVICE COMPANY EXAMINATION COORDINATION ACT OF 2019

Mr. SAN NICOLAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 241) to amend the Bank Service Company Act to provide improvements with respect to State banking agencies, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 241

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.”.

SEC. 3. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled “Budgetary Effects of PAYGO Legislation” for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Guam (Mr. SAN NICOLAS) and the gentleman from Ohio (Mr. STIVERS) each will control 20 minutes.

The Chair recognizes the gentleman from Guam.

GENERAL LEAVE

Mr. SAN NICOLAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Guam?

There was no objection.

Mr. SAN NICOLAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 241, the Bank Service Company Examination Coordination Act of 2019.

I thank the gentleman from Texas, Representative WILLIAMS, for his work on this bill that would promote better coordination between Federal and State banking regulators as they oversee third-party vendors and companies that provide a wide range of services for banks.

In recent years, technology has disrupted every industry, including banking, and has given the significant cybersecurity risks that come with that technology.

In light of the recent Capital One data breach, which involved consumer data the bank stored on a cloud server provided by Amazon Web Services, a third-party service provider, or TSP, used by the bank and many other companies, it is important that Congress ensure there is strong oversight over these third-party companies that work with banks.

Currently, the Bank Service Company Act authorizes Federal regulators to examine TSPs to assess the risks they may pose to the banks with which they work. Similarly, many State banking regulators are authorized to examine bank TSPs under various State laws. These State regulators are responsible for ensuring that these third-party relationships do not pose undue risks to the State-chartered banking system, which accounts for nearly 80 percent of all banks in the United States.

However, the Bank Service Company Act is silent regarding State bank regulators, which could hamper information sharing among State and Federal regulators.

While H.R. 241 would not give States any new authority to conduct TSP exams, it would recognize at the Federal level the supervisory authority that many State regulators already have under current State law and encourage Federal regulators to coordinate with them.

Given the increase in fintech companies that partner with banks, especially State-chartered banks, it is important that we consider ways to encourage innovation, coordination, and consistency among Federal and State regulators in the oversight of TSPs.

Furthermore, in its 2017 annual report, the Financial Stability Oversight Council recommended that Congress pass legislation to strengthen oversight of third-party companies that

work with banks to improve cybersecurity. To that end, last Congress, Democrats and Republicans of the Committee on Financial Services voted unanimously, 56–0, in support of this legislation.

H.R. 241 will promote consistency and strengthen oversight of our banks and the technology companies with which they work. Therefore, I encourage Members to support H.R. 241, and I reserve the balance of my time.

Mr. STIVERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 241, the Bank Service Company Examination Coordination Act of 2019.

This bill amends the Bank Service Company Act to enhance State and Federal regulators' ability to coordinate examinations and share information with a bank's technology vendors and partners.

State and Federal regulatory authorities are rightfully frustrated by the inability to share information as a result of constraints resulting from the Bank Service Company Act, specifically the duplicative examination processes that are in no way uniform or collaborative. Their inability to share exam information between Federal and State regulators creates vulnerabilities in the financial system.

The commonsense changes contained in H.R. 241 reduce the regulatory burden for institutions that are already struggling to comply with the current regulatory regime.

H.R. 241 also helps enhance the safety and soundness of our financial system by allowing regulators to coordinate their activities.

Sharing exam results among agencies allows risks and weaknesses of individual institutions, as well as the overall financial system, to be revealed more effectively. It also allows Federal and State financial agencies to more effectively expend limited resources and avoid duplicative examinations, strengthen communications among regulators, and ensure the appropriate level of oversight for risk to the financial system is maintained.

To put it in perspective, the Bank Service Company Act was enacted in 1962. That is 1 year before ZIP Codes were introduced and the first push-button telephone was made available to the American consumer. A lot has changed since 1962. The Bank Service Company Act fails to take into consideration the advancements in technology and the implications for nearly half a century of consumer data.

The statute needs modernization. In 2017, the Financial Stability Oversight Council recommended congressional action to encourage better coordination between Federal and State regulators as it relates to overseeing financial institutions and periodically as it relates to their relationships with third-party and technology service providers. Two years later, legislation that would encourage coordination is still needed.

I commend the gentleman from Texas (Mr. WILLIAMS) for being the sponsor and champion of this issue over several years, as well as the gentleman from New York (Mr. MEEKS), who has been a strong advocate for modernization.

Mr. Speaker, I urge my colleagues to join me in supporting H.R. 241, and I reserve the balance of my time.

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Mr. SAN NICOLAS. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. MEEKS), the chair of the Consumer Protection and Financial Institutions Subcommittee.

Mr. MEEKS. Mr. Speaker, I rise today to speak in support of H.R. 241, the Bank Service Company Examination Coordination Act.

As chair of the House Financial Services Subcommittee on Consumer Protection and Financial Institutions, I am very focused on the appropriate oversight of our banking sector and effective coordination among our bank regulators in overseeing the integrity and stability of individual banks and the banking system as a whole.

We learned in the most painful way possible during the financial crisis that failure to properly coordinate and gaps in regulatory oversight allow systemic risks to emerge.

In particular, with the enactment of this bill, State and Federal regulators will be directed to coordinate their work in auditing and monitoring technology solution providers in banking and the use of such technology. This type of coordination is key to giving consumers and average Americans faith in the stability of the banking system, security of the technology solutions used in banking, and will streamline regulatory oversight without cutting corners.

So I am pleased to join with my colleague, Mr. WILLIAMS, who has been a strong advocate of making sure that we have this kind of transparency in working together, and I urge all of my colleagues to vote “aye” on H.R. 241.

Mr. STIVERS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. WILLIAMS), who is a great entrepreneur, a great businessman, and a supporter of the free market system.

Mr. WILLIAMS. Mr. Speaker, I am proud to support H.R. 241, the Bank Service Company Examination Coordination Act, commonsense legislation that enables State and Federal regulators to better coordinate their examination activities.

The bill allows for the sharing of supervisory information concerning technology service providers, better known as TSPs, between State and Federal regulators.

Banks use TSPs in their day-to-day operations for a variety of activities, such as processing payments, taking deposits, or assisting with cybersecurity efforts. As banks are adapting to a more interconnected world, partner-

ships between financial institutions and TSPs are not only common, but they are necessary.

State and Federal regulators each have the ability to examine technology vendors for safety and for soundness, but current law prevents them from sharing the results of their independent examinations, a problem that H.R. 241 corrects.

H.R. 241 helps to harmonize the oversight process without adding risk to their financial system. Sharing the results of regulatory examination results between agencies can reveal the weaknesses of an individual institution as well as the larger banking system as a whole.

The Financial Stability Oversight Council, which is charged with identifying risks in the U.S. financial system, recommended in their 2017 annual report to enhance coordination between State and Federal regulators. Specifically, the report called on Congress to pass legislation that encourages coordination among the Federal and State regulators in the oversight of third-party service providers. The result would be reducing potentially conflicting and duplicative regulatory oversight, while also promoting more consistent cybersecurity standards.

Sharing the results of these TSP supervisory exams allows for agencies to more efficiently use their limited resources, while ensuring that private companies are not subject to an avoidable, duplicative review.

I want to thank Chairwoman WATERS. I want to thank Ranking Member MCHENRY, and especially my friend on the other side of the aisle, Congressman MEEKS, and all the staff for their diligent work.

I am proud of the bipartisan effort in both the 115th and the 116th Congresses that allowed for the passage of H.R. 241 today. I urge all my colleagues to support this legislation.

Mr. SAN NICOLAS. Mr. Speaker, I am prepared to close. I reserve the balance of my time.

Mr. STIVERS. Mr. Speaker, I yield myself such time as I may consume.

H.R. 241 will help reduce duplicative examinations and better coordinate the exams that State and Federal agencies give to our financial system to better identify vulnerabilities of individual institutions in the overall system. It is a bipartisan act that will do great things for our financial services system. I would urge its adoption.

I yield back the balance of my time.

Mr. SAN NICOLAS. Mr. Speaker, I yield myself the balance of my time.

Better coordination between Federal and State banking regulators will make oversight of third-party vendors and companies that provide a wide range of services for banks more effective. H.R. 241 helps accomplish that.

I want to again thank the gentleman from Texas (Mr. WILLIAMS) for introducing this bill, as well as the gentleman from New York (Mr. MEEKS) for his advocacy.

I urge all of my colleagues to join me in supporting H.R. 241.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. LEVIN of Michigan). The question is on the motion offered by the gentleman from Guam (Mr. SAN NICOLAS) that the House suspend the rules and pass the bill, H.R. 241, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CARBON MONOXIDE ALARMS LEADING EVERY RESIDENT TO SAFETY ACT OF 2019

Mr. SAN NICOLAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1690) to require carbon monoxide alarms or detectors in certain federally assisted housing, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1690

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 “Carbon Monoxide Alarms Leading Every Resident To Safety Act of 2019” or the “CO ALERTS Act of 2019”.

SEC. 2. FINDINGS.

Congress finds that—

(1) carbon monoxide alarms are not required by federally assisted housing programs, when not required by State or local codes;

(2) numerous federally assisted housing residents have lost their lives due to carbon monoxide poisoning;

(3) the effects of carbon monoxide poisoning occur immediately and can result in death in a matter of minutes;

(4) carbon monoxide exposure can cause permanent brain damage, life-threatening cardiac complications, fetal death or miscarriage, and death, among other harmful health conditions;

(5) carbon monoxide poisoning is especially dangerous for unborn babies, children, elderly individuals, and individuals with cardiovascular disease, among others with chronic health conditions;

(6) the majority of the 4,600,000 families receiving Federal housing assistance are families with young children, elderly individuals, or individuals with disabilities, making them especially vulnerable to carbon monoxide poisoning;

(7) more than 400 people die and 50,000 additional people visit the emergency room annually as a result of carbon monoxide poisoning;

(8) carbon monoxide poisoning is entirely preventable and early detection is possible with the use of carbon monoxide alarms;

(9) the Centers for Disease Control and Prevention warns that carbon monoxide poisoning is entirely preventable and recommends the installation of carbon monoxide alarms;

(10) the Office of Lead Hazard Control and Healthy Homes of the Department of Housing and Urban Development recommends the installation of carbon monoxide alarms as a best practice to keep families and individuals safe and to protect health; and

(11) in order to safeguard the health and well-being of tenants in federally assisted housing, the Federal Government should consider best practices for primary prevention of carbon monoxide-related incidents.

SEC. 3. CARBON MONOXIDE ALARMS OR DETECTORS IN FEDERALLY ASSISTED HOUSING.

(a) PUBLIC HOUSING, TENANT-BASED ASSISTANCE, AND PROJECT-BASED ASSISTANCE.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 3(a) (42 U.S.C. 1437a(a)), by adding at the end the following:

“(8) CARBON MONOXIDE ALARMS.—Each public housing agency shall ensure that carbon monoxide alarms or detectors are installed in each dwelling unit in public housing owned or operated by the public housing agency in a manner that meets or exceeds—

“(A) the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council; or

“(B) any other standards as may be adopted by the Secretary, including any relevant updates to the International Fire Code, through a notice published in the Federal Register.”; and

(2) in section 8 (42 U.S.C. 1437f)—

(A) by inserting after subsection (i) the following:

“(j) CARBON MONOXIDE ALARMS.—Each owner of a dwelling unit receiving project-based assistance under this section shall ensure that carbon monoxide alarms or detectors are installed in the dwelling unit in a manner that meets or exceeds—

“(1) the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council; or

“(2) any other standards as may be adopted by the Secretary, including any relevant updates to the International Fire Code, through a notice published in the Federal Register.”; and

(B) in subsection (o), by adding at the end the following:

“(21) CARBON MONOXIDE ALARMS.—Each dwelling unit receiving tenant-based assistance or project-based assistance under this subsection shall have carbon monoxide alarms or detectors installed in the dwelling unit in a manner that meets or exceeds—

“(A) the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council; or

“(B) any other standards as may be adopted by the Secretary, including any relevant updates to the International Fire Code, through a notice published in the Federal Register.”.

(b) SUPPORTIVE HOUSING FOR THE ELDERLY.—Section 202(j) of the Housing Act of 1959 (12 U.S.C. 1701q(j)) is amended by adding at the end the following:

“(9) CARBON MONOXIDE ALARMS.—Each owner of a dwelling unit assisted under this section shall ensure that carbon monoxide alarms or detectors are installed in the dwelling unit in a manner that meets or exceeds—

“(A) the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council; or

“(B) any other standards as may be adopted by the Secretary, including any relevant updates to the International Fire Code, through a notice published in the Federal Register.”.

(c) SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES.—Section 811(j) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(j)) is amended by adding at the end the following:

“(7) CARBON MONOXIDE ALARMS.—Each dwelling unit assisted under this section shall contain installed carbon monoxide alarms or detectors that meet or exceed—

“(A) the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council; or

“(B) any other standards as may be adopted by the Secretary, including any relevant updates to the International Fire Code, through a notice published in the Federal Register.”.

(d) HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS.—Section 856 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12905) is amended by adding at the end the following new subsection:

“(i) CARBON MONOXIDE ALARMS.—Each dwelling unit assisted under this subtitle shall contain installed carbon monoxide alarms or detectors that meet or exceed—

“(1) the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council; or

“(2) any other standards as may be adopted by the Secretary, including any relevant updates to the International Fire Code, through a notice published in the Federal Register.”.

(e) RURAL HOUSING.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended—

(1) in section 514 (42 U.S.C. 1484), by adding at the end the following:

“(j) Housing and related facilities constructed with loans under this section shall contain installed carbon monoxide alarms or detectors that meet or exceed—

“(1) the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council; or

“(2) any other standards as may be adopted by the Secretary, in collaboration with the Secretary of Housing and Urban Development, including any relevant updates to the International Fire Code, through a notice published in the Federal Register.”; and

(2) in section 515 (42 U.S.C. 1485)—

(A) in subsection (m), by inserting “(1)” before “The Secretary shall establish”; and

(B) by adding at the end the following:

“(2) Housing and related facilities rehabilitated or repaired with amounts received under a loan made or insured under this section shall contain installed carbon monoxide alarms or detectors that meet or exceed—

“(A) the standards described in chapters 9 and 11 of the 2018 publication of the International Fire Code, as published by the International Code Council; or

“(B) any other standards as may be adopted by the Secretary, in collaboration with the Secretary of Housing and Urban Development, including any relevant updates to the International Fire Code, through a notice published in the Federal Register.”.

(f) GUIDANCE.—The Secretary of Housing and Urban Development shall provide guidance to public housing agencies (as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6))) on how to educate tenants on health hazards in the home, including to carbon monoxide poisoning, lead poisoning, asthma induced by housing-related allergens, and other housing-related preventable outcomes, to help advance primary prevention and prevent future deaths and other harms.

(g) EFFECTIVE DATE.—The amendments made by subsections (a) through (d) shall take effect on the date that is 2 years after the date of enactment of this Act.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this Act, \$101,400,000 per year for each of fiscal years 2020, 2021, and 2022.