

Suspend the Rules and Pass the Bill, H.R. 241, with an Amendment
(The amendment strikes all after the enacting clause and inserts a new text)

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

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

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

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

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

4 (1) in section 1(b)—

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

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

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

14 (2) in section 5(a), by inserting “, in consulta-
15 tion with the State banking agency,” after “banking
16 agency”; and

17 (3) in section 7—

18 (A) in subsection (a)—

19 (i) in the first sentence, by inserting
20 “or State banking agency” after “appro-
21 priate Federal banking agency”; and

22 (ii) in the second sentence, by striking
23 “Federal banking agency that supervises
24 any other shareholder or member” and in-
25 serting “Federal or State banking agency

1 that supervises any other shareholder or
2 member”;

3 (B) in subsection (c)—

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

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

10 (C) by redesignating subsection (d) as sub-
11 section (f);

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

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

24 “(e) COORDINATION WITH STATE BANKING AGEN-
25 CIES.—Where a State bank is principal shareholder or

1 principal member of a bank service company or where a
2 State bank is any other shareholder or member of the
3 bank service company, the appropriate Federal banking
4 agency, in carrying out examinations authorized by this
5 section, shall—

6 “(1) provide reasonable and timely notice to the
7 State banking agency; and

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

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

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

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

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

22 The budgetary effects of this Act, for the purpose of
23 complying with the Statutory Pay-As-You-Go Act of 2010,
24 shall be determined by reference to the latest statement
25 titled “Budgetary Effects of PAYGO Legislation” for this

1 Act, submitted for printing in the Congressional Record
2 by the Chairman of the House Budget Committee, pro-
3 vided that such statement has been submitted prior to the
4 vote on passage.