[DISCUSSION DRAFT]

116TH CONGRESS
1ST SESSION
H. R. _____

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

M. ______ introduced the following bill; which was referred to the Committee on ______

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,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Strengthening Cybersecurity for the Financial Sector Act of 2019”.

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

The Bank Service Company Act is amended—

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

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

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

“(A) has the meaning given that term under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

“(B) means the National Credit Union Administration, in the case of a credit union;”;

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

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

“(A) has the meaning given that term under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

“(B) means an insured credit union, as defined under section 101 of the Federal Credit Union Act (12 U.S.C. 1752);”;
(C) in paragraph (8), by striking “and” at the end;

(D) in paragraph (9)—

(i) by inserting before “and” the following: “, ‘savings association’,”; and

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

(E) by adding at the end the following:

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

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

(2) in section 2 (12 U.S.C. 1862), by striking “banks or savings associations” and inserting “depository institutions”; and

(3) in section 4 (12 U.S.C. 1864)—

(A) in subsection (c), by striking “State bank or State savings association” each place such term appears and inserting “State bank, State savings association, or State credit union”;
(B) in subsection (d), by striking “national bank or Federal savings association” each place such term appears and inserting “national bank, Federal savings association, or Federal credit union”; and

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

SEC. 3. REGULATION OF SERVICE PROVIDERS BY FHFA.

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

“SEC. 1329. REGULATION OF SERVICE PROVIDERS.

“Whenever a Federal Home Loan Bank or enterprise (or any subsidiary or affiliate of such a Bank or enterprise) causes to be performed for itself, by contract or otherwise, any services, whether on or off its premises—

“(1) such performance shall be subject to regulation and examination by the Director to the same extent as if such services were being performed by such Bank or enterprise itself on its own premises; and

“(2) the Bank or enterprise shall notify the Director of the existence of the service relationship
within thirty days after the making of such service contract or the performance of the service, whichever occurs first.”.