

[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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Strengthening Cyber-
3 security for the Financial Sector Act of 2019”.

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

6 The Bank Service Company Act is amended—

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

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

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

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

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

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

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

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

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

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

3 (D) in paragraph (9)—

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

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

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

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

11 “(11) the terms ‘insured credit union’, ‘Federal
12 credit union’, and ‘State credit union’ have the
13 meaning given those terms, respectively, under sec-
14 tion 101 of the Federal Credit Union Act (12 U.S.C.
15 1752).”.

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

19 (3) in section 4 (12 U.S.C. 1864)—

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

1 (B) in subsection (d), by striking “national
2 bank or Federal savings association” each place
3 such term appears and inserting “national
4 bank, Federal savings association, or Federal
5 credit union”; and

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

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

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

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

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

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

24 “(2) the Bank or enterprise shall notify the Di-
25 rector of the existence of the service relationship

1 within thirty days after the making of such service
2 contract or the performance of the service, whichever
3 occurs first.”.