

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 4458
OFFERED BY MR. MCHENRY OF NORTH
CAROLINA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Cybersecurity and Fi-
3 nancial System Resilience Act of 2019”.

**4 SEC. 2. CYBERSECURITY AND FINANCIAL SYSTEM RESIL-
5 IENCE REPORT.**

6 (a) IN GENERAL.—Not later than the end of the 180-
7 day period beginning on the date of enactment of this Act,
8 and annually thereafter, each banking regulator shall sub-
9 mit a report to the Committee on Financial Services of
10 the House of Representatives and the Committee on
11 Banking, Housing, and Urban Affairs of the Senate that
12 provides a detailed explanation of measures undertaken to
13 strengthen cybersecurity with respect to the functions of
14 the regulator, including the supervision and regulation of
15 financial institutions and, where applicable, third-party
16 service providers. Each such report shall specifically in-
17 clude a detailed analysis of—

1 (1) policies and procedures (including those de-
2 scribed under section 3554(b) of title 44, United
3 States Code) that guard against—

4 (A) efforts to deny access to or degrade,
5 disrupt, or destroy any information and com-
6 munications technology system or network, or
7 exfiltrate information from such a system or
8 network without authorization;

9 (B) destructive malware attacks;

10 (C) denial of service activities; and

11 (D) any other efforts that may threaten
12 the functions of the banking regulator or enti-
13 ties overseen by the regulator by undermining
14 cybersecurity and the resilience of the financial
15 system; and

16 (2) activities to ensure the effective implemen-
17 tation of policies and procedures described under
18 paragraph (1), including—

19 (A) the appointment of qualified staff, the
20 provision of staff training, the use of account-
21 ability measures to support staff performance,
22 and the designation, if any, of senior appointed
23 leadership to strengthen accountability for over-
24 sight of cybersecurity measures;

1 (B) deployment of adequate resources and
2 technologies;

3 (C) efforts to respond to cybersecurity-re-
4 lated findings and recommendations of the In-
5 spector General of the banking regulator or the
6 independent evaluation described under section
7 3555 of title 42, United States Code; and

8 (D) as appropriate, efforts to strengthen
9 cybersecurity in coordination with other Federal
10 departments and agencies, domestic and foreign
11 financial institutions, and other partners, in-
12 cluding the development and dissemination of
13 best practices regarding cybersecurity and the
14 sharing of threat information; and

15 (3) any current or emerging threats that are
16 likely to pose a risk to the resilience of the financial
17 system.

18 (b) FORM OF REPORT.—The report required under
19 subsection (a) shall be submitted in unclassified form, but
20 may include a classified annex, if appropriate.

21 (c) CONGRESSIONAL BRIEFING.—Upon request, the
22 head of each banking regulator shall provide a detailed
23 briefing to the appropriate Members of Congress on each
24 report submitted pursuant to subsection (a), except—

1 (1) the Chairman of the Board of Governors of
2 the Federal Reserve System may designate another
3 member of the Board of Governors of the Federal
4 Reserve System to provide such briefing;

5 (2) the Chairperson of the Federal Deposit In-
6 surance Corporation may designate another member
7 of the Board of Directors of the Corporation to pro-
8 vide such briefing; and

9 (3) the Chairman of the National Credit Union
10 Administration may designate another member of
11 the National Credit Union Administration Board to
12 provide such briefing.

13 (d) DEFINITIONS.—For the purposes of this Act:

14 (1) APPROPRIATE MEMBERS OF CONGRESS.—
15 The term “appropriate Members of Congress”
16 means the following:

17 (A) The Chairman and Ranking Member
18 of the Committee on Financial Services of the
19 House of Representatives.

20 (B) The Chairman and Ranking Member
21 of the Committee on Banking, Housing, and
22 Urban Affairs of the Senate.

23 (2) BANKING REGULATOR.—The term “banking
24 regulator” means the Board of Governors of the
25 Federal Reserve System, the Comptroller of the Cur-

1 rency, the Federal Deposit Insurance Corporation,
2 and the National Credit Union Administration.

3 (3) SENIOR APPOINTED LEADERSHIP.—With
4 respect to a banking regulator, the term “senior ap-
5 pointed leadership” means a position that requires
6 Senate confirmation.

7 (e) SUNSET.—The provisions of this Act shall have
8 no force or effect on or after the date that is 7 years after
9 the date of enactment of this Act.

