

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
TO H.R. 1109  
OFFERED BY MR. WILLIAMS OF TEXAS**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Bank Service Company  
3 Examination Coordination Act of 2023”.

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

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

7           (1) in section 1(b)—

8               (A) in paragraph (8), by striking “and” at  
9               the end;

10              (B) by redesignating paragraph (9) as  
11              paragraph (10); and

12              (C) by inserting after paragraph (8) the  
13              following:

14              “(9) the term ‘State banking agency’ shall have  
15              the same meaning given the term ‘State Bank Su-  
16              pervisor’ under section 3 of the Federal Deposit In-  
17              surance Act; and”;

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

4           (3) in section 7—

5           (A) in subsection (a)—

6           (i) in the first sentence, by inserting  
7           “or State banking agency” after “appro-  
8           priate Federal banking agency”; and

9           (ii) in the second sentence, by striking  
10          “Federal banking agency that supervises  
11          any other shareholder or member” and in-  
12          serting “Federal or State banking agency  
13          that supervises any other shareholder or  
14          member”;

15          (B) in subsection (c)—

16          (i) by inserting “or a State banking  
17          agency” after “appropriate Federal bank-  
18          ing agency”; and

19          (ii) by striking “such agency” each  
20          place such term appears and inserting  
21          “such Federal or State agency”;

22          (C) by redesignating subsection (d) as sub-  
23          section (f);

24          (D) by inserting after subsection (c) the  
25          following:

1           “(d) AVAILABILITY OF INFORMATION.—Information  
2 obtained pursuant to the regulation and examination of  
3 service providers under this section or applicable State law  
4 may be furnished by and accessible to Federal and State  
5 agencies to the same extent that supervisory information  
6 concerning depository institutions is authorized to be fur-  
7 nished to and required to be accessible by Federal and  
8 State agencies under section 7(a)(2) of the Federal De-  
9 posit Insurance Act (12 U.S.C. 1817(a)(2)) or State law,  
10 as applicable.

11           “(e) COORDINATION WITH STATE BANKING AGEN-  
12 CIES.—Where a State bank is principal shareholder or  
13 principal member of a bank service company or where a  
14 State bank is any other shareholder or member of the  
15 bank service company, the appropriate Federal banking  
16 agency, in carrying out examinations authorized by this  
17 section, shall—

18                   “(1) provide reasonable and timely notice to the  
19 State banking agency; and

20                   “(2) to the fullest extent possible, coordinate  
21 and avoid duplication of examination activities, re-  
22 porting requirements, and requests for informa-  
23 tion.”;

24                   (E) in subsection (f), as so redesignated,  
25 by inserting “, in consultation with State bank-

1           ing agencies,” after “appropriate Federal bank-  
2           ing agencies”; and

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

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

