

116TH CONGRESS
2D SESSION

S. 4154

To amend the Bank Service Company Act to provide improvements with respect to State banking agencies, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 2, 2020

Mr. CRAMER (for himself and Mr. JONES) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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 2020”.

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

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

9 (1) in section 1(b)—

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

4 (B) by inserting after paragraph (1) the
 5 following:

6 “(2) the term ‘State banking agency’ shall have
 7 the same meaning given the term ‘State Bank Su-
 8 pervisor’ under section 3 of the Federal Deposit In-
 9 surance Act;”;

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

13 (3) in section 7—

14 (A) in subsection (a)—

15 (i) in the first sentence, by inserting
 16 “or State banking agency” after “appro-
 17 priate Federal banking agency”; and

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

24 (B) in subsection (c)—

1 (i) by inserting “or a State banking
 2 agency” after “appropriate Federal bank-
 3 ing agency”; and

4 (ii) by striking “such agency” each
 5 place such term appears and inserting
 6 “such Federal or State agency”;

7 (C) by redesignating subsection (d) as sub-
 8 section (f);

9 (D) by inserting after subsection (c) the
 10 following:

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

21 “(e) COORDINATION WITH STATE BANKING AGEN-
 22 CIES.—Where a State bank is principal shareholder or
 23 principal member of a bank service company or where a
 24 State bank is any other shareholder or member of the
 25 bank service company, the appropriate Federal banking

1 agency, in carrying out examinations authorized by this
 2 section, shall—

3 “(1) provide reasonable and timely notice to the
 4 State banking agency; and

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

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

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

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

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

19 The budgetary effects of this Act, for the purpose of
 20 complying with the Statutory Pay-As-You-Go Act of 2010,
 21 shall be determined by reference to the latest statement
 22 titled “Budgetary Effects of PAYGO Legislation” for this
 23 Act, submitted for printing in the Congressional Record
 24 by the Chairman of the House Budget Committee, pro-

- 1 vided that such statement has been submitted prior to the
- 2 vote on passage.

