

Union Calendar No. 234

118TH CONGRESS
1ST SESSION

H. R. 1109

[Report No. 118-290]

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

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 21, 2023

Mr. WILLIAMS of Texas (for himself, Mr. MEEKS, and Mr. HILL) introduced the following bill; which was referred to the Committee on Financial Services

DECEMBER 1, 2023

Additional sponsors: Mr. CASE and Mr. LAWLER

DECEMBER 1, 2023

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on February 21, 2023]

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 2023”.*

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)—*

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

12 *(B) by redesignating paragraph (9) as*
13 *paragraph (10); and*

14 *(C) by inserting after paragraph (8) the fol-*
15 *lowing:*

16 *“(9) the term ‘State banking agency’ shall have*
17 *the same meaning given the term ‘State Bank Super-*
18 *visor’ under section 3 of the Federal Deposit Insur-*
19 *ance Act; and”;*

20 *(2) in section 5(a), by inserting “, in consulta-*
21 *tion with the State banking agency,” after “banking*
22 *agency”;* and

23 *(3) in section 7—*

24 *(A) in subsection (a)—*

1 (i) in the first sentence, by inserting
2 “or State banking agency” after “appro-
3 priate Federal banking agency”; and

4 (ii) in the second sentence, by striking
5 “Federal banking agency that supervises
6 any other shareholder or member” and in-
7 serting “Federal or State banking agency
8 that supervises any other shareholder or
9 member”;

10 (B) in subsection (c)—

11 (i) by inserting “or a State banking
12 agency” after “appropriate Federal banking
13 agency”; and

14 (ii) by striking “such agency” each
15 place such term appears and inserting
16 “such Federal or State agency”;

17 (C) by redesignating subsection (d) as sub-
18 section (f);

19 (D) by inserting after subsection (c) the fol-
20 lowing:

21 “(d) *AVAILABILITY OF INFORMATION.*—Information
22 obtained pursuant to the regulation and examination of
23 service providers under this section or applicable State law
24 may be furnished by and accessible to Federal and State
25 agencies to the same extent that supervisory information

1 *concerning depository institutions is authorized to be fur-*
2 *nished to and required to be accessible by Federal and State*
3 *agencies under section 7(a)(2) of the Federal Deposit Insur-*
4 *ance Act (12 U.S.C. 1817(a)(2)) or State law, as applicable.*

5 “(e) *COORDINATION WITH STATE BANKING AGEN-*
6 *CIES.—Where a State bank is principal shareholder or*
7 *principal member of a bank service company or where a*
8 *State bank is any other shareholder or member of the bank*
9 *service company, the appropriate Federal banking agency,*
10 *in carrying out examinations authorized by this section,*
11 *shall—*

12 “(1) *provide reasonable and timely notice to the*
13 *State banking agency; and*

14 “(2) *to the fullest extent possible, coordinate and*
15 *avoid duplication of examination activities, reporting*
16 *requirements, and requests for information.”;*

17 “(E) *in subsection (f), as so redesignated, by*
18 *inserting “, in consultation with State banking*
19 *agencies,” after “appropriate Federal banking*
20 *agencies”;* and

21 “(F) *by adding at the end the following:*

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

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