

118TH CONGRESS
1ST SESSION

S. 1501

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

MAY 9, 2023

Mr. CRAMER (for himself, Ms. WARREN, Ms. LUMMIS, Ms. HIRONO, Mr. BOOZMAN, and Mr. ROUNDS) 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 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) (12 U.S.C. 1861(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’ has the
7 meaning given the term ‘State bank supervisor’ in
8 section 3 of the Federal Deposit Insurance Act (12
9 U.S.C. 1813);”;

10 (2) in section 5(a) (12 U.S.C. 1865(a)), by in-
11 sserting “, in consultation with the State banking
12 agency,” after “agency”; and

13 (3) in section 7 (12 U.S.C. 1867)—

14 (A) in subsection (a)—

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

18 (ii) in the second sentence, by insert-
19 ing “or State banking agency” before
20 “that”;

21 (B) in subsection (c)—

22 (i) in the matter preceding paragraph
23 (1), by inserting “or a State banking agen-
24 cy” after “banking agency”; and

1 (ii) by striking “such agency” each
2 place such term appears and inserting
3 “such Federal or State agency”;

4 (C) by redesignating subsection (d) as sub-
5 section (f);

6 (D) by inserting after subsection (c) the
7 following:

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

18 “(e) COORDINATION WITH STATE BANKING AGEN-
19 CIES.—If a State bank is principal shareholder, principal
20 member, shareholder, or member of a bank service com-
21 pany, the appropriate Federal banking agency, in carrying
22 out examinations authorized by this section, shall—

23 “(1) provide reasonable and timely notice to the
24 State banking agency; and

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

5 (E) in subsection (f), as so redesignated,
6 by inserting “, in consultation with State bank-
7 ing agencies,” after “agencies”; and

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

9 “(g) **RULE OF CONSTRUCTION.**—Nothing in this sec-
10 tion shall be construed as granting authority for a State
11 banking agency to examine a bank service company if no
12 such authority exists in State law.”.

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

14 The budgetary effects of this Act, for the purpose of
15 complying with the Statutory Pay-As-You-Go Act of 2010,
16 shall be determined by reference to the latest statement
17 titled “Budgetary Effects of PAYGO Legislation” for this
18 Act, submitted for printing in the Congressional Record
19 by the Chairman of the House Budget Committee, pro-
20 vided that such statement has been submitted prior to the
21 vote on passage.

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