

S 2790

Financial Institution Customer Protection Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Apr 13, 2016

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Apr 13, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/2790>

Sponsor

Name: Sen. Cruz, Ted [R-TX]

Party: Republican • **State:** TX • **Chamber:** Senate

Cosponsors (8 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Cornyn, John [R-TX]	R · TX		Apr 13, 2016
Sen. Crapo, Mike [R-ID]	R · ID		Apr 13, 2016
Sen. Lee, Mike [R-UT]	R · UT		Apr 13, 2016
Sen. Vitter, David [R-LA]	R · LA		Apr 14, 2016
Sen. Blunt, Roy [R-MO]	R · MO		Apr 19, 2016
Sen. Paul, Rand [R-KY]	R · KY		Apr 26, 2016
Sen. Heller, Dean [R-NV]	R · NV		Apr 27, 2016
Sen. Cassidy, Bill [R-LA]	R · LA		Jun 20, 2016

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Apr 13, 2016

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
114 HR 5983	Related bill	Dec 20, 2016: Placed on the Union Calendar, Calendar No. 693.
114 HR 766	Related bill	Feb 8, 2016: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Financial Institution Customer Protection Act of 2016

This bill prohibits a federal banking agency from formally or informally suggesting, requesting, or ordering a depository institution to terminate either a specific customer account, or group of customer accounts, or otherwise restrict or discourage it from entering into or maintaining a banking relationship with a specific customer or group of customers, unless: (1) the agency has a material reason to do so, and (2) the reason is not based solely on reputation risk to the institution.

The "material reason" criterion shall be satisfied if an agency believes that a specific customer or group of customers poses a threat to national security, including any belief that they are involved in terrorist financing.

Unless the appropriate agency determines that the customer or group of customers has used due diligence to avoid doing business with any entity described below, the bill deems the criteria addressing "material reason" to be met if the agency believes a customer or group of customers is, or is acting as, a conduit for an entity which:

- poses a threat to national security;
- is involved in terrorist financing;
- is an agency of the government of Iran, North Korea, Syria, or any country listed from time to time on the state sponsor of terrorism list;
- is either located in, or subject to the jurisdiction of, any of such countries; or
- does business with any entity located in such countries.

If an appropriate federal banking agency orders a depository institution to terminate a specific customer account or a group of customer accounts, the depository institution shall inform the customer or customers of the justification for the termination.

No notice may be given to the customer, however, if the agency requests or orders a depository institution to terminate a customer account (or a group of customer accounts) based upon a belief that customer or those customers pose a threat to national security or are otherwise described above.

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 is amended to revise requirements for summoning witnesses and requiring production of books or other records the Attorney General deems relevant or material to a civil investigation in contemplation of a civil proceeding which may result in civil penalties for specified violations.

Actions Timeline

- **Apr 13, 2016:** Introduced in Senate
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