

HR 766

Financial Institution Customer Protection Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: Feb 5, 2015

Current Status: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Feb 8, 2016)

Latest Action: Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Feb 8, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/766>

Sponsor

Name: Rep. Luetkemeyer, Blaine [R-MO-3]

Party: Republican • **State:** MO • **Chamber:** House

Cosponsors (30 total)

| Cosponsor | Party / State | Role | Date Joined |
|------------------------------------|---------------|------|--------------|
| Rep. Hastings, Alcee L. [D-FL-20] | D · FL | | Feb 5, 2015 |
| Rep. Stivers, Steve [R-OH-15] | R · OH | | Feb 5, 2015 |
| Rep. Mulvaney, Mick [R-SC-5] | R · SC | | Feb 11, 2015 |
| Rep. Cárdenas, Tony [D-CA-29] | D · CA | | Mar 17, 2015 |
| Rep. Murphy, Patrick [D-FL-18] | D · FL | | Mar 17, 2015 |
| Rep. Gosar, Paul A. [R-AZ-4] | R · AZ | | Mar 19, 2015 |
| Rep. Blackburn, Marsha [R-TN-7] | R · TN | | Mar 23, 2015 |
| Rep. Latta, Robert E. [R-OH-5] | R · OH | | Mar 26, 2015 |
| Rep. Ross, Dennis A. [R-FL-15] | R · FL | | May 5, 2015 |
| Rep. Stutzman, Marlin A. [R-IN-3] | R · IN | | May 5, 2015 |
| Rep. Farenthold, Blake [R-TX-27] | R · TX | | May 20, 2015 |
| Rep. Sessions, Pete [R-TX-32] | R · TX | | May 20, 2015 |
| Rep. Upton, Fred [R-MI-6] | R · MI | | May 20, 2015 |
| Rep. Curbelo, Carlos [R-FL-26] | R · FL | | May 21, 2015 |
| Rep. Fincher, Stephen Lee [R-TN-8] | R · TN | | Jun 3, 2015 |
| Rep. Neugebauer, Randy [R-TX-19] | R · TX | | Jun 8, 2015 |
| Rep. Emmer, Tom [R-MN-6] | R · MN | | Jun 9, 2015 |
| Rep. Tipton, Scott R. [R-CO-3] | R · CO | | Jun 10, 2015 |
| Rep. Posey, Bill [R-FL-8] | R · FL | | Jun 11, 2015 |
| Rep. Williams, Roger [R-TX-25] | R · TX | | Jun 16, 2015 |
| Rep. Barr, Andy [R-KY-6] | R · KY | | Jun 17, 2015 |
| Rep. Rothfus, Keith J. [R-PA-12] | R · PA | | Jul 10, 2015 |
| Rep. Hultgren, Randy [R-IL-14] | R · IL | | Jul 29, 2015 |
| Rep. Pearce, Stevan [R-NM-2] | R · NM | | Jul 29, 2015 |
| Rep. Jenkins, Lynn [R-KS-2] | R · KS | | Sep 8, 2015 |
| Rep. Jolly, David W. [R-FL-13] | R · FL | | Sep 8, 2015 |
| Rep. DesJarlais, Scott [R-TN-4] | R · TN | | Sep 11, 2015 |
| Rep. Graves, Sam [R-MO-6] | R · MO | | Oct 22, 2015 |
| Rep. Davis, Rodney [R-IL-13] | R · IL | | Oct 26, 2015 |
| Rep. Messer, Luke [R-IN-6] | R · IN | | Nov 16, 2015 |

Committee Activity

| Committee | Chamber | Activity | Date |
|---|---------|----------------------------|--------------|
| Banking, Housing, and Urban Affairs Committee | Senate | Referred To | Feb 8, 2016 |
| Financial Services Committee | House | Hearings By (subcommittee) | Jun 11, 2015 |

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 S 2790 | Related bill | Apr 13, 2016: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. |
| 114 HRES 595 | Procedurally related | Feb 3, 2016: Motion to reconsider laid on the table Agreed to without objection. |

Summary (as of Feb 4, 2016)

Financial Institution Customer Protection Act of 2016

(Sec. 2) 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.

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 Sponsors 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.

(Sec. 3) 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

- **Feb 8, 2016:** Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.
- **Feb 4, 2016:** Considered under the provisions of rule H. Res. 595. (consideration: CR H570-583; text of amendment in the nature of a substitute: CR H578)
- **Feb 4, 2016:** Resolution provides for consideration of H.R. 1675 and H.R. 766.
- **Feb 4, 2016:** House resolved itself into the Committee of the Whole House on the state of the Union pursuant to H. Res. 595 and Rule XVIII.
- **Feb 4, 2016:** The Speaker designated the Honorable Alexander X. Mooney to act as Chairman of the Committee.
- **Feb 4, 2016:** GENERAL DEBATE - The Committee of the Whole proceeded with one hour of general debate on H.R. 766.
- **Feb 4, 2016:** DEBATE - Pursuant to the provisions of H. Res. 595, the Committee of the Whole proceeded with 10 minutes of debate on the Sherman amendment No. 1.
- **Feb 4, 2016:** DEBATE - Pursuant to the provisions of H. Res. 595, the Committee of the Whole proceeded with 10 minutes of debate on the Gosar amendment No. 2.
- **Feb 4, 2016:** The House rose from the Committee of the Whole House on the state of the Union to report H.R. 766.
- **Feb 4, 2016:** The previous question was ordered pursuant to the rule. (consideration: CR H580)
- **Feb 4, 2016:** Ms. Castor (FL) moved to recommit with instructions to the Committee on Financial Services. (consideration: CR H581-582; text: CR H581)
- **Feb 4, 2016:** DEBATE - The House proceeded with 10 minutes of debate on the Castor (FL) motion to recommit with instructions. The instructions contained in the motion seek to require the bill to be reported back to the House with an amendment to add at the end of the bill the following to ensure financial institutions must prove to federal banking regulatory agencies that in the preceding 5 years they have not been subjected to a consent order, settlement, deferred prosecution agreement, or civil or criminal penalty for unfair or deceptive acts and practices relating to the sale of a mortgage product.
- **Feb 4, 2016:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H582)
- **Feb 4, 2016:** On motion to recommit with instructions Failed by the Yeas and Nays: 177 - 240 (Roll no. 62).
- **Feb 4, 2016:** MOMENT OF SILENCE - The House observed a moment of silence in memory of 12 Marines who lost their lives in a January 14 training accident in Hawaii.
- **Feb 4, 2016:** Passed/agreed to in House: On passage Passed by the Yeas and Nays: 250 - 169 (Roll no. 63).
- **Feb 4, 2016:** On passage Passed by the Yeas and Nays: 250 - 169 (Roll no. 63).
- **Feb 4, 2016:** Motion to reconsider laid on the table Agreed to without objection.
- **Feb 3, 2016:** Rule H. Res. 595 passed House.
- **Feb 2, 2016:** Rules Committee Resolution H. Res. 595 Reported to House. Resolution provides for consideration of H.R. 1675 and H.R. 766.
- **Jan 28, 2016:** Reported by the Committee on Financial Services. H. Rept. 114-402.
- **Jan 28, 2016:** Placed on the Union Calendar, Calendar No. 305.
- **Jul 29, 2015:** Committee Consideration and Mark-up Session Held.
- **Jul 29, 2015:** Ordered to be Reported by the Yeas and Nays: 35 - 19.
- **Jul 28, 2015:** Committee Consideration and Mark-up Session Held.
- **Jun 11, 2015:** Hearings Held by the Subcommittee on Financial Institutions and Consumer Credit Prior to Referral.
- **Feb 5, 2015:** Introduced in House
- **Feb 5, 2015:** Referred to the House Committee on Financial Services.