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(Original Signature of Member)

116TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To provide requirements for the appropriate Federal banking agencies when requesting or ordering a depository institution to terminate a specific customer account, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

Mr. LUETKEMEYER introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To provide requirements for the appropriate Federal banking agencies when requesting or ordering a depository institution to terminate a specific customer account, 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 “Financial Institution  
5 Customer Protection Act of 2019”.

1 **SEC. 2. REQUIREMENTS FOR DEPOSIT ACCOUNT TERMI-**  
2 **NATION REQUESTS AND ORDERS.**

3 (a) TERMINATION REQUESTS OR ORDERS MUST BE  
4 VALID.—

5 (1) IN GENERAL.—An appropriate Federal  
6 banking agency may not formally or informally re-  
7 quest or order a depository institution to terminate  
8 a specific customer account or group of customer ac-  
9 counts or to otherwise restrict or discourage a de-  
10 pository institution from entering into or maintain-  
11 ing a banking relationship with a specific customer  
12 or group of customers unless—

13 (A) the agency has a valid reason for such  
14 request or order; and

15 (B) such reason is not based solely on rep-  
16 utation risk.

17 (2) TREATMENT OF NATIONAL SECURITY  
18 THREATS.—If an appropriate Federal banking agen-  
19 cy believes a specific customer or group of customers  
20 is, or is acting as a conduit for, an entity which—

21 (A) poses a threat to national security;

22 (B) is involved in terrorist financing;

23 (C) is an agency of the Government of  
24 Iran, North Korea, Syria, or any country listed  
25 from time to time on the State Sponsors of  
26 Terrorism list;

1 (D) is located in, or is subject to the juris-  
2 diction of, any country specified in subpara-  
3 graph (C); or

4 (E) does business with any entity described  
5 in subparagraph (C) or (D), unless the appro-  
6 priate Federal banking agency determines that  
7 the customer or group of customers has used  
8 due diligence to avoid doing business with any  
9 entity described in subparagraph (C) or (D),  
10 such belief shall satisfy the requirement under para-  
11 graph (1).

12 (b) NOTICE REQUIREMENT.—

13 (1) IN GENERAL.—If an appropriate Federal  
14 banking agency formally or informally requests or  
15 orders a depository institution to terminate a spe-  
16 cific customer account or a group of customer ac-  
17 counts, the agency shall—

18 (A) provide such request or order to the  
19 institution in writing; and

20 (B) accompany such request or order with  
21 a written justification for why such termination  
22 is needed, including any specific laws or regula-  
23 tions the agency believes are being violated by  
24 the customer or group of customers, if any.

1           (2) JUSTIFICATION REQUIREMENT.—A jus-  
2           tification described under paragraph (1)(B) may not  
3           be based solely on the reputation risk to the deposi-  
4           tory institution.

5           (c) CUSTOMER NOTICE.—

6           (1) NOTICE REQUIRED.—Except as provided  
7           under paragraph (2) or as otherwise prohibited from  
8           being disclosed by law, if an appropriate Federal  
9           banking agency orders a depository institution to  
10          terminate a specific customer account or a group of  
11          customer accounts, the depository institution shall  
12          inform the specific customer or group of customers  
13          of the justification for the customer's account termi-  
14          nation described under subsection (b).

15          (2) NOTICE PROHIBITED.—

16                (A) NOTICE PROHIBITED IN CASES OF NA-  
17                TIONAL SECURITY.—If an appropriate Federal  
18                banking agency requests or orders a depository  
19                institution to terminate a specific customer ac-  
20                count or a group of customer accounts based on  
21                a belief that the customer or customers pose a  
22                threat to national security, or are otherwise de-  
23                scribed under subsection (a)(2), neither the de-  
24                pository institution nor the appropriate Federal  
25                banking agency may inform the customer or

1 customers of the justification for the customer's  
2 account termination.

3 (B) NOTICE PROHIBITED IN OTHER  
4 CASES.—If an appropriate Federal banking  
5 agency determines that the notice required  
6 under paragraph (1) may interfere with an au-  
7 thorized criminal investigation, neither the de-  
8 pository institution nor the appropriate Federal  
9 banking agency may inform the specific cus-  
10 tomer or group of customers of the justification  
11 for the customer's account termination.

12 (d) REPORTING REQUIREMENT.—Each appropriate  
13 Federal banking agency shall issue an annual report to  
14 the Congress stating—

15 (1) the aggregate number of specific customer  
16 accounts that the agency requested or ordered a de-  
17 pository institution to terminate during the previous  
18 year; and

19 (2) the legal authority on which the agency re-  
20 lied in making such requests and orders and the fre-  
21 quency on which the agency relied on each such au-  
22 thority.

23 (e) DEFINITIONS.—For purposes of this section:

1           (1) APPROPRIATE FEDERAL BANKING AGEN-  
2           CY.—The term “appropriate Federal banking agen-  
3           cy” means—

4                   (A) the appropriate Federal banking agen-  
5                   cy, as defined under section 3 of the Federal  
6                   Deposit Insurance Act (12 U.S.C. 1813); and

7                   (B) the National Credit Union Administra-  
8                   tion, in the case of an insured credit union.

9           (2) DEPOSITORY INSTITUTION.—The term “de-  
10          pository institution” means—

11                   (A) a depository institution, as defined  
12                   under section 3 of the Federal Deposit Insur-  
13                   ance Act (12 U.S.C. 1813); and

14                   (B) an insured credit union, as defined  
15                   under section 101 of the Federal Credit Union  
16                   Act (12 U.S.C. 1752).