

AMENDMENT TO H.R. 4292
OFFERED BY MS. MAXINE WATERS OF
CALIFORNIA

[Page and line numbers refer to ZELDIN__034, dated
November 6, 2017]

Page 4, after line 16, insert the following:

1 SEC. 3. MEGABANK ACCOUNTABILITY AND CON-
2 SEQUENCES.

3 (a) IN GENERAL.—The Bureau of Consumer Finan-
4 cial Protection shall review and determine, after con-
5 sulting with any appropriate Federal banking agency,
6 within 90 days of enactment of this Act whether a global
7 systemically important bank holding company and any of
8 its affiliates or subsidiaries, or the branch, representative
9 office, or agency of a foreign bank that is federally licensed
10 and affiliated with a global systemically important bank
11 holding company, is engaging or has engaged in a pattern
12 or practice of unsafe or unsound banking practices and
13 other violations related to consumer harm. Not later than
14 120 days after the date of enactment of this Act, the Di-
15 rector of the Bureau of Consumer Financial Protection
16 shall provide written notice to the Committee on Financial
17 Services of the House of Representatives and the Com-

1 mittee on Banking, Housing, and Urban Affairs of the
2 Senate describing the review, listing any identified institu-
3 tion with a detailed basis for the determination, and notify
4 any appropriate Federal banking agency and the institu-
5 tion that the resolution plan previously submitted by such
6 a company pursuant to subsection (d) of section 165 of
7 such Act shall be immediately deemed not credible under
8 paragraph (4) of such subsection.

9 (b) DEFINITION OF PATTERN OR PRACTICE OF UN-
10 SAFE OR UNSOUND BANKING PRACTICES AND OTHER
11 VIOLATIONS RELATED TO CONSUMER HARM.—For pur-
12 poses of this section, the term “pattern or practice of un-
13 safe or unsound banking practices and other violations re-
14 lated to consumer harm” means engaging in all of the fol-
15 lowing activities, to the extent each activity was discovered
16 or occurred at least once in the 10 years preceding the
17 date of the enactment of this Act:

18 (1) Having unsafe or unsound practices in the
19 institution’s risk management and oversight of the
20 institution’s sales practices, as evidenced by—

21 (A) an institution lacking an enterprise-
22 wide sales practices oversight program that en-
23 ables the institution to adequately monitor sales
24 practices to prevent and detect unsafe or un-
25 sound sales practices and mitigate risks that

1 may result from such unsafe and unsound sales
2 practices; and

3 (B) an institution lacking a comprehensive
4 customer complaint monitoring process that—

5 (i) enables the institution to assess
6 customer complaint activity across the
7 bank;

8 (ii) adequately monitors, manages,
9 and reports on customer complaints; and

10 (iii) analyzes and understands the po-
11 tential risks posed by the institution's sales
12 practices.

13 (2) Engaging in unsafe and unsound sales prac-
14 tices, as evidenced by the institution—

15 (A) opening more than one million unau-
16 thorized deposit, credit card, or other accounts;

17 (B) performing unauthorized transfers of
18 customer funds; and

19 (C) performing unauthorized credit inquir-
20 ies for purposes of the conduct described in
21 subparagraph (A) or (B).

22 (3) Lacking adequate oversight of third-party
23 vendors for purposes of risk-mitigation, to prevent
24 abusive and deceptive practices in the vendor's provi-
25 sion of consumer products or services.

1 (4) Having deficient policies and procedures for
2 sharing customers' personal identifiable information
3 with third-party vendors for litigation purposes that
4 led to inadvertent disclosure of such information to
5 unintended parties.

6 (5) Violating Federal consumer financial laws
7 with respect to mortgage loans, including charges of
8 hidden fees and unauthorized or improper disclo-
9 sures tied to home mortgage loan modifications.

10 (6) Engaging in unsafe or unsound banking
11 practices related to residential mortgage loan serv-
12 icing and foreclosure processing.

13 (7) Violating the Servicemembers Civil Relief
14 Act.

15 (c) OTHER DEFINITIONS.—For purposes of this sec-
16 tion:

17 (1) APPROPRIATE FEDERAL BANKING AGEN-
18 CY.—The term “appropriate Federal banking agen-
19 cy” has the meaning given that term under section
20 3 of the Federal Deposit Insurance Act (12 U.S.C.
21 1813).

22 (2) GLOBAL SYSTEMICALLY IMPORTANT BANK
23 HOLDING COMPANY.—The term “global systemically
24 important bank holding company” means—

1 (A) a bank holding company that has been
2 identified by the Board of Governors of the
3 Federal Reserve System as a global systemically
4 important bank holding company pursuant to
5 section 217.402 of title 12, Code of Federal
6 Regulations; and

7 (B) a global systemically important foreign
8 banking organization, as defined under section
9 252.2 of title 12, Code of Federal Regulations.

