

105TH CONGRESS
1ST SESSION

H. R. 1722

To amend various banking laws.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 1997

Mr. FOX of Pennsylvania introduced the following bill; which was referred to the Committee on Banking and Financial Services, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend various banking laws.

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 Regulation Ad-
5 justment Act”.

6 **SEC. 2. CRIMINAL LIABILITY ESTABLISHED FOR CERTAIN**

7 **ACTIVITIES RELATING TO CREDIT CARDS.**

8 Section 134 of the Truth in Lending Act (15 U.S.C.
9 1644) is amended—

1 (1) in the provision designated as subsection
2 (d), by redesignating paragraphs (1), (2), and (3) as
3 subparagraphs (A), (B), and (C);

4 (2) in the provision designated as subsection
5 (e), by redesignating paragraphs (1) and (2) as sub-
6 paragraphs (A) and (B);

7 (3) by redesignating the provisions designated
8 as subsections (a) through (f) as paragraphs (1)
9 through (6), respectively;

10 (4) by moving the left margin of paragraphs (1)
11 through (6) (as so redesignated by paragraph (3) of
12 this section) 2 ems to the right;

13 (5) by striking “or” at the end of paragraph
14 (5) (as so redesignated by paragraph (3) of this sec-
15 tion);

16 (6) by striking “obtained—” at the end of
17 paragraph (6) (as so redesignated by paragraph (3)
18 of this section) and inserting a semicolon;

19 (7) by inserting immediately after paragraph
20 (6) (as so redesignated) the following new para-
21 graphs:

22 “(7) Whoever, with unlawful or fraudulent in-
23 tent, utilizes, or conspires to utilize, an instrumen-
24 tality of interstate or foreign commerce to notify a
25 creditor in accordance with section 161 that a state-

1 ment of account contains a billing error with regard
2 to a transaction, knowing the statement to be cor-
3 rect with regard to such transaction; or

4 “(8) Whoever, with unlawful or fraudulent in-
5 tent, utilizes, or conspires to utilize, an instrumen-
6 tality of interstate or foreign commerce to notify a
7 card issuer of an unauthorized use of a credit card
8 with regard to a transaction knowing the use of the
9 credit card in connection with such transaction to
10 have been authorized,”;

11 (8) by inserting the following subsection des-
12 ignation and heading immediately preceding para-
13 graph (1) (as so redesignated):

14 “(a) IN GENERAL.—”; and

15 (9) by adding at the end the following new sub-
16 section:

17 “(b) OBTAINING CREDIT CARD BY FRAUDULENT
18 MEANS.—Whoever, with unlawful or fraudulent intent,
19 utilizes, or conspires to utilize an instrumentality of inter-
20 state or foreign commerce—

21 “(1) to submit an application for a credit card
22 to a credit card issuer knowing the application to be
23 forged, fictitious, altered, or fraudulent;

24 “(2) to submit false or misleading information
25 to a credit card issuer; or

1 “(3) to apply for 2 or more credit cards from
2 1 or more credit card issuers within any 1-year pe-
3 riod,
4 shall be fined in accordance with title 18, United States
5 Code, imprisoned for not more than 10 years, or both.”.

6 **SEC. 3. DECREASE IN CERTAIN BURDENS ASSOCIATED**
7 **WITH CURRENCY TRANSACTION REPORTING**
8 **REQUIREMENTS.**

9 Section 5313 of title 31, United States Code, is
10 amended by adding at the end the following new sub-
11 section:

12 “(h) ADMINISTRATIVE ACTION REQUIRED.—

13 “(1) ANNUAL INFLATION ADJUSTMENT.—Any
14 amount established by the Secretary under sub-
15 section (a) which defines a transaction for which a
16 report is required under such subsection shall be ad-
17 justed annually after December 31, 1997, by the an-
18 nual percentage increase in the Consumer Price
19 Index for Urban Wage Earners and Clerical Work-
20 ers published by the Bureau of Labor Statistics.”.

21 “(2) INFREQUENT FILERS.—

22 “(A) IN GENERAL.—If the number of re-
23 ports filed by a depository institution under
24 subsection (a) averages less than 50 per month,

1 the depository institution may file such reports
2 on a quarterly basis.

3 “(B) REPORTING OF SUSPICIOUS TRANS-
4 ACTIONS NOT AFFECTED.—Subparagraph (A)
5 shall not be construed as affecting any obliga-
6 tion of a depository institution to promptly re-
7 port any suspicious transaction in accordance
8 with section 5318(g).”.

9 **SEC. 4. REPEAL OF “DUE ON DEMAND” REQUIREMENT FOR**
10 **LOANS TO INSIDERS.**

11 Section 22(g) of the Federal Reserve Act (12 U.S.C.
12 375a) is amended—

13 (1) in paragraph (1)—

14 (A) by inserting “and” after the semicolon
15 at the end of subparagraph (B);

16 (B) by striking “; and” at the end of sub-
17 paragraph (C) and inserting a period; and

18 (C) by striking subparagraph (D);

19 (2) by striking paragraph (6); and

20 (3) by redesignating paragraphs (7), (8), (9),

21 and (10) as paragraphs (6), (7), (8), and (9), re-

22 spectively.

1 **SEC. 5. REPEAL OF AUTHORITY TO ASSESS EXAMINATION**
2 **FEEES ON STATE DEPOSITORY INSTITUTIONS.**

3 (a) STATE MEMBER BANKS.—The 8th undesignated
4 paragraph of section 9 of the Federal Reserve Act (12
5 U.S.C. 326) is amended by striking the penultimate sen-
6 tence (relating to assessments for examinations).

7 (b) NONMEMBER STATE DEPOSITORY INSTITU-
8 TIONS.—Section 10(e)(1) of the Federal Deposit Insur-
9 ance Act (12 U.S.C. 1820(e)(1)) is amended by inserting
10 “Federal” before “depository institution”.

11 **SEC. 6. EFFECTIVE DATE OF BANKING REGULATIONS.**

12 (a) IN GENERAL.—Except as provided in subsection
13 (b), no regulation prescribed by any Federal banking
14 agency shall take effect before the end of the 180-day pe-
15 riod beginning on the date the regulation is published in
16 final form in the Federal Register unless the Federal law
17 under which such regulation is prescribed specifies an ef-
18 fective date for such regulation.

19 (b) EXCEPTIONS FOR REGULATIONS REDUCING BUR-
20 DENS ON DEPOSITORY INSTITUTIONS.—Subsection (a)
21 shall not apply to any regulation the purpose of which is
22 to reduce the administrative burden on depository institu-
23 tions.

24 (c) DEFINITIONS.—For purposes of this section, the
25 terms “depository institution” and “Federal banking

1 agency” have the meaning given to such terms in section
2 3 of the Federal Deposit Insurance Act.

3 **SEC. 7. OTHER PROVISIONS.**

4 (a) **FIELD OF MEMBERSHIP AUTHORITY.**—Section
5 109 of the Federal Credit Union Act (12 U.S.C. 1759)
6 is amended by striking “Federal credit union membership
7 shall be limited to groups having a common bond” and
8 inserting “the membership of any Federal credit union
9 shall be limited to groups having common bonds”.

10 (b) **EXPANSION OF VOTING PERIOD BEFORE CON-**
11 **VERSION TO ANOTHER FORM OF DEPOSITORY INSTITU-**
12 **TION.**—Any regulation prescribed by the National Credit
13 Union Administration under the Federal Credit Union Act
14 which requires a vote by the members of an insured credit
15 union (as defined in section 101(7) of the Federal Credit
16 Union Act) in a special meeting or by mail to approve or
17 disapprove a proposal by the credit union to transfer all
18 or any portion of the deposits of the credit union to an
19 insured depository institution (as defined in section 3(c)
20 of the Federal Deposit Insurance Act) shall allow the cred-
21 it union to provide notice of such vote up to 90 days before
22 the date of the vote.

1 **SEC. 8. EXEMPTION FOR FEES AND INCOME ATTRIBUTABLE**
2 **TO CERTAIN ASSETS OF DEPOSITORY INSTI-**
3 **TUTIONS.**

4 Notwithstanding any other provision of Federal law,
5 the fees and income received by a depository institution
6 (as defined in section 3(c) of the Federal Deposit Insur-
7 ance Act) which are attributable to the 1st \$350,000,000
8 of the total assets of such institution shall be excluded
9 from gross income of such institution for purposes of any
10 Federal tax on income for taxable years of the institution
11 which begin after December 31, 1997.

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