113TH CONGRESS  
2D 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, to provide for additional requirements related to subpoenas issued under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and for other purposes.

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, to provide for additional requirements related to subpoenas issued under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 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,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Financial Institution Customer Protection Act of 2014”.

SEC. 2. REQUIREMENTS FOR DEPOSIT ACCOUNT TERMINATION REQUESTS AND ORDERS.

(a) Termination Requests or Orders Must Be Material.—

(1) In general.—An appropriate Federal banking agency may not suggest, request, or order a depository institution to terminate a specific customer account or to otherwise restrict or discourage a depository institution from entering into or maintaining a banking relationship with a specific customer unless—

(A) the agency has a material reason for such suggestion, request, or order; and

(B) such reason is not based solely on reputation risk.

(2) Treatment of national security threats.—If an appropriate Federal banking agency believes a specific customer poses a threat to national security, including any belief that such customer is involved in terrorist financing, such belief shall satisfy the materiality requirement under paragraph (1)(A).
(3) Rulemaking.—Not later than the end of the 60-day period beginning on the date of the enactment of this Act, the appropriate Federal banking agencies shall, jointly, issue regulations defining the term “reputation risk” for purposes of this section.

(b) Notice Requirement.—

(1) In General.—If an appropriate Federal banking agency suggests, requests, or orders a depository institution to terminate a specific customer account, the agency shall—

(A) provide such suggestion, request, or order to the institution in writing; and

(B) accompany such suggestion, request, or order with a justification for why such termination is needed, including any specific laws or regulations the agency believes are being violated by the customer, if any.

(2) Justification Requirement.—A justification described under paragraph (1)(B) may not be based solely on the reputation risk to the depository institution.

(e) Customer Notice.—

(1) Notice Not Required.—Nothing in this section shall be construed as requiring a depository
institution or an appropriate Federal banking agency to inform a customer of the justification for the customer’s account termination described under subsection (b).

(2) NOTICE PROHIBITED IN CASES OF NATIONAL SECURITY.—If an appropriate Federal banking agency suggests, requests, or orders a depository institution to terminate a specific customer account based on a belief that the customer poses a threat to national security, neither the depository institution nor the appropriate Federal banking agency may inform the customer of the justification for the customer’s account termination.

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

(1) the aggregate number of specific customer accounts that the agency suggested, requested, or ordered a depository institution to terminate during the previous year; and

(2) the legal authority under which the agency made such suggestions, requests, and orders.

(e) DEFINITIONS.—For purposes of this section:
(1) **APPROPRIATE FEDERAL BANKING AGENCY.**—The term “appropriate Federal banking agency” means—

(A) the appropriate Federal banking agency, as defined under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) the National Credit Union Administration, in the case of an insured credit union.

(2) **DEPOSITORY INSTITUTION.**—The term “depository institution” means—

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

(B) an insured credit union.

**SEC. 3. AMENDMENTS TO THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989.**

Section 951 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1833a) is amended—

(1) in subsection (c)(2), by striking “affecting” and inserting “by or against”; and

(2) in subsection (g)—

(A) in the header, by striking “SUB-POENAS” and inserting “INVESTIGATIONS”; and
(B) by amending paragraph (1)(C) to read as follows:

“(C) summon witnesses and require the production of any books, papers, correspondence, memoranda, or other records which the Attorney General deems relevant or material to the inquiry, if the Attorney General—

“(i) requests a court order from a court of competent jurisdiction for such actions and offers specific and articulable facts showing that there are reasonable grounds to believe that the information or testimony sought is relevant and material for conducting an investigation under this section; or

“(ii) either personally or through delegation no lower than the Deputy Attorney General, issues and signs a subpoena for such actions and has reasonable grounds to believe that the information or testimony sought is relevant for conducting an investigation under this section.”.