

Union Calendar No. 388

115TH CONGRESS
2D SESSION

H. R. 1457

[Report No. 115–523]

To establish requirements for use of a driver's license or personal identification card by certain financial institutions for opening an account or obtaining a financial product or service, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2017

Mr. TIPTON (for himself, Mr. HULTGREN, Mr. MCHENRY, Ms. SEWELL of Alabama, Ms. SINEMA, and Mr. DAVID SCOTT of Georgia) introduced the following bill; which was referred to the Committee on Financial Services

JANUARY 22, 2018

Additional sponsors: Mr. LOUDERMILK, Mrs. ROBY, Mr. BYRNE, Mr. STIVERS, Mr. YOUNG of Alaska, Mr. COOK, Mr. SMITH of Texas, Mr. POLIQUIN, Mr. MEEKS, Mr. PITTENGER, Mr. GONZALEZ of Texas, Mr. ROYCE of California, Mr. ROTHFUS, Mr. LUCAS, Mr. KUSTOFF of Tennessee, Ms. TENNEY, Mr. BUDD, Mr. RUTHERFORD, Mr. CRIST, Mr. MESSER, Mr. GOTTHEIMER, Ms. VELÁZQUEZ, Mr. DELANEY, Mr. FRANCIS ROONEY of Florida, and Mr. VALADAO

JANUARY 22, 2018

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on March 9, 2017]

A BILL

To establish requirements for use of a driver's license or personal identification card by certain financial institutions for opening an account or obtaining a financial product or service, 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. MAKING ONLINE BANKING INITIATION LEGAL**
 4 **AND EASY.**

5 (a) *DEFINITIONS.—In this section:*

6 (1) *AFFILIATE.—The term “affiliate” has the*
 7 *meaning given the term in section 2 of the Bank*
 8 *Holding Company Act of 1956 (12 U.S.C. 1841).*

9 (2) *DRIVER’S LICENSE.—The term “driver’s li-*
 10 *cence” means a license issued by a State to an indi-*
 11 *vidual that authorizes the individual to operate a*
 12 *motor vehicle on public streets, roads, or highways.*

13 (3) *FEDERAL BANK SECRECY LAWS.—The term*
 14 *“Federal bank secrecy laws” means—*

15 (A) *section 21 of the Federal Deposit Insur-*
 16 *ance Act (12 U.S.C. 1829b);*

17 (B) *section 123 of Public Law 91–508 (84*
 18 *Stat. 1116); and*

19 ©) *subchapter II of chapter 53 of title 31,*
 20 *United States Code.*

21 (4) *FEDERALLY RECOGNIZED INDIAN TRIBE.—*
 22 *The term “federally recognized Indian Tribe” has the*
 23 *meaning given the term by the Secretary of the Inte-*
 24 *rior under section 104(a) of the Federally Recognized*
 25 *Indian Tribe List Act of 1994 (25 U.S.C. 5131(a)).*

1 (5) *FINANCIAL INSTITUTION*.—The term “*finan-*
2 *cial institution*” means—

3 (A) *an insured depository institution;*

4 (B) *an insured credit union; or*

5 (C) *any affiliate of an insured depository*
6 *institution or insured credit union.*

7 (6) *FINANCIAL PRODUCT OR SERVICE*.—The term
8 “*financial product or service*” has the meaning given
9 the term in section 1002(15) of the Consumer Finan-
10 *cial Protection Act of 2010 (12 U.S.C. 5481(15)).*

11 (7) *INSURED CREDIT UNION*.—The term “*insured*
12 *credit union*” has the meaning given the term in sec-
13 tion 101 of the Federal Credit Union Act (12 U.S.C.
14 1752).

15 (8) *INSURED DEPOSITORY INSTITUTION*.—The
16 term “*insured depository institution*” has the mean-
17 ing given the term in section 3 of the Federal Deposit
18 Insurance Act (12 U.S.C. 1813).

19 (9) *ONLINE SERVICE*.—The term “*online service*”
20 means any Internet-based service, such as a Web site
21 or mobile application.

22 (10) *PERSONAL IDENTIFICATION CARD*.—The
23 term “*personal identification card*” means an identi-
24 fication document issued by a State, local govern-
25 ment, or federally recognized Indian Tribe to an indi-

1 *vidual solely for the purpose of identification of that*
 2 *individual.*

3 (11) *PERSONAL INFORMATION.*—*The term “per-*
 4 *sonal information” means the information displayed*
 5 *on or electronically encoded on a driver’s license or*
 6 *personal identification card that is reasonably nec-*
 7 *essary to fulfill the purpose and uses permitted by*
 8 *subsection (b).*

9 (12) *STATE.*—*The term “State” means any*
 10 *State, commonwealth, territory, or possession of the*
 11 *United States, the District of Columbia, the Common-*
 12 *wealth of Puerto Rico, the Commonwealth of the*
 13 *Northern Mariana Islands, American Samoa, Guam,*
 14 *or the United States Virgin Islands.*

15 (13) *SCAN.*—*The term “scan” means the act of*
 16 *using a device or software to decipher, in an elec-*
 17 *tronically readable format, personal information dis-*
 18 *played on or electronically encoded on a driver’s li-*
 19 *cence or personal identification card.*

20 (b) *USE OF A DRIVER’S LICENSE OR PERSONAL IDEN-*
 21 *TIFICATION CARD.*—

22 (1) *IN GENERAL.*—*When an individual initiates*
 23 *a request through an online service to open an ac-*
 24 *count with a financial institution or obtain a finan-*
 25 *cial product or service from a financial institution,*

1 *the financial institution may record personal infor-*
2 *mation from a scan of the driver's license or personal*
3 *identification card of the individual, or make a copy*
4 *or receive an image of the driver's license or personal*
5 *identification card of the individual, and store or re-*
6 *tain such information in any electronic format for the*
7 *purposes described in paragraph (2).*

8 (2) *USES OF INFORMATION.—Except as required*
9 *to comply with Federal bank secrecy laws, a financial*
10 *institution may only use the information obtained*
11 *under paragraph (1)—*

12 (A) *to verify the authenticity of the driver's*
13 *license or personal identification card;*

14 (B) *to verify the identity of the individual;*
15 *and*

16 (C) *to comply with a legal requirement to*
17 *record, retain, or transmit the personal informa-*
18 *tion in connection with opening an account or*
19 *obtaining a financial product or service.*

20 (3) *DELETION OF IMAGE.—A financial institu-*
21 *tion that makes a copy or receives an image of a*
22 *driver's license or personal identification card of an*
23 *individual in accordance with paragraph (1) shall,*
24 *after using the image for the purposes described in*

1 *paragraph (2), permanently delete, within a reason-*
2 *able amount of time—*

3 *(A) any image of the driver’s license or per-*
4 *sonal identification card, as applicable; and*

5 *(B) any copy of any such image.*

6 *(c) DISCLOSURE OF PERSONAL INFORMATION.—Noth-*
7 *ing in this section shall be construed to amend, modify, or*
8 *otherwise affect any State or Federal laws that govern a*
9 *financial institution’s disclosure and security of personal*
10 *information that is not publicly available.*

11 *(d) RELATION TO STATE LAW.—The provisions of this*
12 *section shall preempt and supersede any State law that con-*
13 *flicts with a provision of this section, but only to the extent*
14 *of such conflict.*

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