CSBS Sets 2020 Legislative Priorities

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Washington, D.C.: CSBS President and CEO John W. Ryan today announced legislative priorities for state regulators. They are to:

- **Amend the Bank Service Company Act:** H.R. 241, the Bank Service Company Examination Coordination Act, would enhance coordination between state and federal regulators of examinations of bank third-party service providers. As banks seek to innovate to better serve their customers, community banks in particular engage a variety of vendors. This bill makes the oversight of those vendors more efficient and effective. The House unanimously passed the legislation in September 2019. We encourage the Senate to take up this issue expeditiously.

- **Strengthen Bank Secrecy Act/Anti-Money Laundering reform proposals:** Last October, the House passed by voice vote legislation to reform BSA/AML. Both the House passed bill (H.R. 2514) and the primary bill in the Senate under consideration (S. 2563) appropriately incorporate state regulators and their integral role in BSA/AML supervision.

- **Advocate that any data security proposals follow precedent of setting federal floor, not ceiling, so states can take further action:** Any federal proposal relating to the collection, use and protection of consumer data must preserve the role for state leadership in the areas of data privacy, security and control.

- **Oppose federal legislation that preempts state licensing and/or supervisory authority over financial services:** Any such legislation needs to recognize the role of state regulators and their responsibility for markets and consumer protection. The SAFE Act, for example, established a set of common standards for state implementation and ongoing oversight.

- **Support federal law regarding the nomination of someone with state bank supervisory experience to the FDIC Board:** We will continue to ask Congress and
the White House to uphold the Federal Deposit Insurance Act’s requirement that at least one member of the FDIC Board have state bank supervisory experience.

John Ryan: “CSBS and state regulators connect with members of Congress in both parties and both chambers on a daily basis. In the upcoming year, we will collaborate on legislative solutions that can strengthen our system of state financial regulation to more effectively oversee state-chartered banks and state-licensed nonbanks. A network of supervision is better for the financial entities we oversee and ultimately the communities we serve.”