

106TH CONGRESS  
1ST SESSION

# H. R. 1339

To require insured depository institutions, depository institution holding companies, and insured credit unions to protect the confidentiality of financial information obtained concerning their customers, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1999

Mr. MARKEY introduced the following bill; which was referred to the  
Committee on Banking and Financial Services

---

## A BILL

To require insured depository institutions, depository institution holding companies, and insured credit unions to protect the confidentiality of financial information obtained concerning their customers, 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. SHORT TITLE.**

4 This Act may be cited as the “Depository Institution  
5 Customers Financial Privacy Enhancement Act of 1999”.

1 **SEC. 2. CONFIDENTIAL FINANCIAL INFORMATION OF CUS-**  
2 **TOMERS OF DEPOSITORY INSTITUTIONS.**

3 (a) BANKS AND SAVINGS ASSOCIATIONS.—Section 18  
4 of the Federal Deposit Insurance Act (12 U.S.C. 1828)  
5 is amended by adding at the end the following new sub-  
6 section:

7 “(t) PRIVACY OF FINANCIAL INFORMATION.—Not-  
8 withstanding any other provision of law, the Federal bank-  
9 ing agencies shall each prescribe regulations to require  
10 each insured depository institution—

11 “(1) to protect the confidentiality of financial  
12 information of, and relating to, the customers of the  
13 institution;

14 “(2) to inform the customers of the institution  
15 whenever—

16 “(A) financial information is being col-  
17 lected that pertains to such customers; or

18 “(B) a depository institution intends (with  
19 the approval of the customer pursuant to para-  
20 graph (3)(B)) to offer financial information  
21 pertaining to such customer to any other per-  
22 son, including an affiliate or agent of such in-  
23 stitution; and

24 “(3) to refrain, and to take measures reason-  
25 ably designed to prevent their agents, from using,  
26 disclosing, or permitting access to individually iden-

1       tifiable financial information pertaining to any cus-  
2       tomer except—

3               “(A) for the provision of the financial serv-  
4               ices from which such information is derived, or  
5               services necessary to, or used in, the provision  
6               of such services;

7               “(B) upon the affirmative written request,  
8               or with the affirmative written consent, of the  
9               customer to whom the information pertains; or

10              “(C) upon request of the appropriate Fed-  
11              eral banking agency or as otherwise required by  
12              law.”.

13       (b) CREDIT UNIONS.—Section 206 of the Federal  
14       Credit Union Act (12 U.S.C. 1786) is amended by adding  
15       at the end the following new subsection:

16       “(w) PRIVACY OF FINANCIAL INFORMATION.—Not-  
17       withstanding any other provision of law, the Board shall  
18       prescribe regulations to require each insured credit  
19       union—

20              “(1) to protect the confidentiality of financial  
21              information of, and relating to, the members of the  
22              credit union;

23              “(2) to inform the members of the credit union  
24              whenever—

1           “(A) financial information is being col-  
2 lected that pertains to such members; or

3           “(B) a credit union intends (with the ap-  
4 proval of the member pursuant to paragraph  
5 (3)(B)) to offer financial information pertaining  
6 to such member to any other person, including  
7 an agent or affiliate of such credit union; and

8           “(3) to refrain, and to take measures reason-  
9 ably designed to prevent their agents, from using,  
10 disclosing, or permitting access to individually iden-  
11 tifiable financial information pertaining to any mem-  
12 ber except—

13           “(A) for the provision of the financial serv-  
14 ices from which such information is derived, or  
15 services necessary to, or used in, the provision  
16 of such services;

17           “(B) upon the affirmative written request,  
18 or with the affirmative written consent, of the  
19 member to whom the information pertains; or

20           “(C) upon request of the Board or as oth-  
21 erwise required by law.”.

1 **SEC. 3. CONFIDENTIAL FINANCIAL INFORMATION OF CUS-**  
2 **TOMERS OF DEPOSITORY INSTITUTION**  
3 **HOLDING COMPANIES.**

4 (a) BANK HOLDING COMPANY.—Section 4 of the  
5 Bank Holding Company Act of 1956 (12 U.S.C. 1843)  
6 is amended by adding at the end the following new sub-  
7 section:

8 “(k) PRIVACY OF FINANCIAL INFORMATION.—Not-  
9 withstanding any other provision of law, the Board shall  
10 prescribe regulations to require any bank holding company  
11 and any affiliate of a bank holding company (other than  
12 a depository institution subsidiary of such company which  
13 is subject to section 18(t) of the Federal Deposit Insur-  
14 ance Act)—

15 “(1) to protect the confidentiality of financial  
16 information of, and relating to, the customers of the  
17 bank holding company or affiliate;

18 “(2) to inform a customer of the company or  
19 affiliate whenever—

20 “(A) financial information is being col-  
21 lected that pertains to such customer; or

22 “(B) the company or affiliate intends (with  
23 the approval of the customer pursuant to para-  
24 graph (3)(B)) to offer financial information  
25 pertaining to such customer to any other per-

1 son, including another affiliate or an agent of  
2 such company or affiliate; and

3 “(3) to refrain, and to take measures reason-  
4 ably designed to prevent their agents, from using,  
5 disclosing, or permitting access to individually iden-  
6 tifiable financial information pertaining to any such  
7 customer except—

8 “(A) for the provision of the financial serv-  
9 ices from which such information is derived, or  
10 services necessary to, or used in, the provision  
11 of such services;

12 “(B) upon the affirmative written request,  
13 or with the affirmative written consent, of the  
14 customer to whom the information pertains; or

15 “(C) upon request of the Board or as oth-  
16 erwise required by law.”.

17 (b) SAVINGS AND LOAN HOLDING COMPANIES.—Sec-  
18 tion 10 of the Home Owners’ Loan Act (12 U.S.C. 1467a)  
19 is amended by adding at the end the following new sub-  
20 section:

21 “(u) PRIVACY OF FINANCIAL INFORMATION.—Not-  
22 withstanding any other provision of law, the Director shall  
23 prescribe regulations to require any savings and loan hold-  
24 ing company and any affiliate of a savings and loan hold-  
25 ing company (other than a depository institution sub-

1 subsidiary of such company which is subject to section 18(t)  
2 of the Federal Deposit Insurance Act)—

3 “(1) to protect the confidentiality of financial  
4 information of, and relating to, the customers of the  
5 savings and loan holding company or affiliate;

6 “(2) to inform a customer of the company or  
7 affiliate whenever—

8 “(A) financial information is being col-  
9 lected that pertains to such customer; or

10 “(B) the company or affiliate intends (with  
11 the approval of the customer pursuant to para-  
12 graph (3)(B)) to offer financial information  
13 pertaining to such customer to any other per-  
14 son, including another affiliate or an agent of  
15 such company or affiliate; and

16 “(3) to refrain, and to take measures reason-  
17 ably designed to prevent their agents, from using,  
18 disclosing, or permitting access to individually iden-  
19 tifiable financial information pertaining to any such  
20 customer except—

21 “(A) for the provision of the financial serv-  
22 ices from which such information is derived, or  
23 services necessary to, or used in, the provision  
24 of such services;

1           “(B) upon the affirmative written request,  
2           or with the affirmative written consent, of the  
3           customer to whom the information pertains; or

4           “(C) upon request of the Director or as  
5           otherwise required by law.”.

○