

113TH CONGRESS
1ST SESSION

H. R. 3700

To instruct the Secretary of the Treasury to use 25 percent of civil fines collected for violations of the Bank Secrecy Act to make grants to community financial institutions to improve compliance with the provisions of that Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 11, 2013

Mr. HINOJOSA (for himself, Ms. SHEA-PORTER, and Mr. VELA) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To instruct the Secretary of the Treasury to use 25 percent of civil fines collected for violations of the Bank Secrecy Act to make grants to community financial institutions to improve compliance with the provisions of that Act, 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 “Building Community
5 Financial Institutions’ Capacity to Combat Money Laun-
6 dering Act”.

1 **SEC. 2. BSA COMPLIANCE IMPROVEMENT GRANTS.**

2 (a) IN GENERAL.—Subchapter II of chapter 53 of
3 title 31, United States Code, is amended—

4 (1) in section 5321, by adding at the end the
5 following:

6 “(f) CIVIL FINES USED FOR COMPLIANCE IMPROVE-
7 MENTS.—

8 “(1) IN GENERAL.—For each year, 25 percent
9 of all civil money penalties imposed on domestic fi-
10 nancial institutions pursuant to this section shall be
11 deposited into the BSA Compliance Fund estab-
12 lished under section 5333.

13 “(2) FINES UNDER OTHER LAW FOR ACTIONS
14 THAT VIOLATE THIS SECTION.—If a domestic finan-
15 cial institution pays a civil fine under any other pro-
16 vision of Federal law with respect to an action for
17 which a civil money penalty is imposed under this
18 section, 25 percent of such civil fine shall be depos-
19 ited into the BSA Compliance Fund established
20 under section 5333.”; and

21 (2) by adding at the end the following:

22 **“§ 5333. Compliance improvement grants**

23 “(a) BSA COMPLIANCE FUND.—There is established
24 a fund in the Treasury to be known as the ‘BSA Compli-
25 ance Fund’ (the ‘Fund’), which shall be used to carry out
26 the grant program under this section.

1 “(b) COMPLIANCE GRANTS.—

2 “(1) IN GENERAL.—Subject to the availability
3 of funds in the Fund, the Secretary of the Treasury
4 shall make grants to community financial institu-
5 tions to improve compliance with the requirements
6 of this subchapter.

7 “(2) APPLICATION.—A community financial in-
8 stitution that wishes to receive a grant under this
9 section shall submit an application to the Secretary,
10 in such form and manner as the Secretary deter-
11 mines appropriate, that contains—

12 “(A) a compliance improvement plan that
13 details how the grant will be used to improve
14 compliance with the requirements of this sub-
15 chapter;

16 “(B) the estimated cost of implementing
17 such plan; and

18 “(C) such other information as the Sec-
19 retary determines appropriate.

20 “(3) COMPETITIVE SELECTION; PRIORITY FOR
21 CERTAIN AREAS.—The Secretary shall select which
22 community financial institutions receive a grant
23 under this section on a competitive basis based on
24 the plans submitted under paragraph (2), and shall
25 give priority to institutions located in counties that

1 have 20 percent or more of residents living below the
2 Federal poverty line.

3 “(4) AMOUNT OF GRANT.—A grant made under
4 this section may not exceed the lesser of—

5 “(A) \$200,000; or

6 “(B) 75 percent of the estimated cost of
7 implementing the proposed compliance improve-
8 ment plan.

9 “(c) ADMINISTRATIVE COSTS.—Not more than 4 per-
10 cent of the funds in the Fund may be used to pay for
11 the administrative costs of carrying out this section.

12 “(d) COMMUNITY FINANCIAL INSTITUTION DE-
13 FINED.—For purposes of this section, the term ‘commu-
14 nity financial institution’ means a domestic financial insti-
15 tution with less than \$10,000,000,000 in assets.”.

16 (b) CLERICAL AMENDMENT.—The table of analysis
17 for chapter 53 of title 31, United States Code, is amended
18 by inserting after the item relating to section 5332 the
19 following:

“5333. Compliance improvement grants.”.

20 **SEC. 3. SUNSET.**

21 (a) IN GENERAL.—Effective October 1, 2018, title
22 31, United States Code, is amended—

23 (1) in section 5321, by striking subsection (f);

24 (2) by striking section 5333; and

1 (3) in the table of analysis for chapter 53, by
2 striking the item relating to section 5333.

3 (b) AMOUNTS REMAINING IN BSA COMPLIANCE
4 FUND.—Effective October 1, 2018, the Secretary of the
5 Treasury shall deposit any funds in the BSA Compliance
6 Fund into the general fund of the Treasury.

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