

115TH CONGRESS
2D SESSION

H. R. 1457

IN THE SENATE OF THE UNITED STATES

JANUARY 30, 2018

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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,*

1 **SECTION 1. MAKING ONLINE BANKING INITIATION LEGAL**
2 **AND EASY.**

3 (a) DEFINITIONS.—In this section:

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

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

11 (3) FEDERAL BANK SECRECY LAWS.—The term
12 “Federal bank secrecy laws” means—

13 (A) section 21 of the Federal Deposit In-
14 surance Act (12 U.S.C. 1829b);

15 (B) section 123 of Public Law 91–508 (84
16 Stat. 1116); and

17 (C) subchapter II of chapter 53 of title 31,
18 United States Code.

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

25 (5) FINANCIAL INSTITUTION.—The term “fi-
26 nancial institution” means—

- 1 (A) an insured depository institution;
2 (B) an insured credit union; or
3 (C) any affiliate of an insured depository
4 institution or insured credit union.

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

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

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

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

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

1 dividual solely for the purpose of identification of
2 that individual.

3 (11) PERSONAL INFORMATION.—The term
4 “personal information” means the information dis-
5 played on or electronically encoded on a driver’s li-
6 cense or personal identification card that is reason-
7 ably necessary to fulfill the purpose and uses per-
8 mitted by 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 Com-
12 monwealth 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 cense or personal identification card.

20 (b) USE OF A DRIVER’S LICENSE OR PERSONAL
21 IDENTIFICATION 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 per-
3 sonal identification card of the individual, or make
4 a copy or receive an image of the driver's license or
5 personal identification card of the individual, and
6 store or retain such information in any electronic
7 format for the purposes described in paragraph (2).

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

12 (A) to verify the authenticity of the driv-
13 er's 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 infor-
18 mation in connection with opening an account
19 or 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
4 personal identification card, as applicable; and

5 (B) any copy of any such image.

6 (c) DISCLOSURE OF PERSONAL INFORMATION.—

7 Nothing in this section shall be construed to amend, mod-
8 ify, or otherwise affect any State or Federal laws that gov-
9 ern a financial institution’s disclosure and security of per-
10 sonal information that is not publicly available.

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

Passed the House of Representatives January 29,
2018.

Attest:

KAREN L. HAAS,

Clerk.