

117TH CONGRESS
1ST SESSION

H. R. 3968

To require the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Financial Crimes Enforcement Network, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the United States Department of the Treasury to update guidance on customer identification regulations with respect to the use of identification cards issued by a municipality, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. TORRES of New York introduced the following bill; which was referred to the Committee on _____

A BILL

To require the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Financial Crimes Enforcement Network, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the United States Department of the Treasury to update guidance on customer identification regulations with respect to the use of identification cards issued by a municipality, 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 “Municipal IDs Accept-
5 ance Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Current law and regulations require certain
9 financial institutions, including depository institu-
10 tions, savings associations, and credit unions, to
11 have a Customer Identification Program to identify
12 customers who wish to open accounts.

13 (2) A financial institution must have risk-based
14 procedures for evaluating new customers that allow
15 the financial institution to form a reasonable belief
16 that the financial institution knows the true identity
17 of the customer.

18 (3) Guidance on the Consumer Identification
19 Program has not been updated since the staff of the
20 Board of Governors of the Federal Reserve System,
21 Federal Deposit Insurance Corporation, Financial
22 Crimes Enforcement Network, National Credit
23 Union Administration, Office of the Comptroller of
24 the Currency, Office of Thrift Supervision, and the
25 United States Department of the Treasury (in this

1 section referred to as “the Agencies”) issued “Inter-
2 agency Interpretive Guidance on Customer Identi-
3 fication Program Requirements under Section 326
4 of the USA PATRIOT Act, 2005 FAQs”.

5 (4) Over the last decade more than two dozen
6 cities and counties in the United States have insti-
7 tuted municipal identification programs, issuing a
8 form of identification to residents who typically do
9 not have driver’s licenses, including young people,
10 the elderly, homeless residents, and immigrants.

11 (5) Municipal identification programs help vul-
12 nerable populations access private and public serv-
13 ices, including library services, utility accounts, food,
14 medical care, and housing assistance.

15 (6) While the Agencies have issued statements
16 about the use of municipal identification for con-
17 sumer identification, many financial institutions
18 have been hesitant to incorporate municipal identi-
19 fication into the Consumer Identification Programs,
20 limiting access to banking for underserved popu-
21 lations.

22 (7) It is important for the Agencies to clarify,
23 in guidance, that financial institutions may accept
24 municipal identification to establish a customer’s
25 identity if such identification enables the bank to

1 form a reasonable belief that the bank knows the
2 true identity of the customer.

3 **SEC. 3. UPDATING GUIDANCE ON CUSTOMER IDENTIFICA-**
4 **TION REGULATIONS.**

5 The Board of Governors of the Federal Reserve Sys-
6 tem, the Federal Deposit Insurance Corporation, the Fi-
7 nancial Crimes Enforcement Network, the National Credit
8 Union Administration, the Office of the Comptroller of the
9 Currency, and the Department of the Treasury shall up-
10 date the guidance titled “Guidance on Customer Identi-
11 fication Regulations Financial Crimes Enforcement Net-
12 work FAQs: Final CIP Rule” issued on January 8, 2004
13 to state that an identification card issued by a munici-
14 pality may be used by a bank to verify the identity of a
15 customer if such identification card enables the bank to
16 form a reasonable belief that the bank knows the true
17 identity of the customer.