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.
Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Municipal IDs Accept-
ance Act”.

SEC. 2. FINDINGS.

Congress finds the following:

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

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

(3) Guidance on the Consumer Identification
Program has not been updated since the staff of the
Board of Governors of the Federal Reserve System,
Federal Deposit Insurance Corporation, Financial
Crimes Enforcement Network, National Credit
Union Administration, Office of the Comptroller of
the Currency, Office of Thrift Supervision, and the
United States Department of the Treasury (in this
section referred to as “the Agencies”) issued “Inter-
agency Interpretive Guidance on Customer Identifi-
cation Program Requirements under Section 326
of the USA PATRIOT Act, 2005 FAQs”.

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

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

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

(7) It is important for the Agencies to clarify,
in guidance, that financial institutions may accept
municipal identification to establish a customer’s
identity if such identification enables the bank to
form a reasonable belief that the bank knows the
ture identity of the customer.

SEC. 3. UPDATING GUIDANCE ON CUSTOMER IDENTIFICATION REGULATIONS.

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 Department of the Treasury shall update the guidance titled “Guidance on Customer Identification Regulations Financial Crimes Enforcement Network FAQs: Final CIP Rule” issued on January 8, 2004 to state that an identification card issued by a municipality may be used by a bank to verify the identity of a customer if such identification card enables the bank to form a reasonable belief that the bank knows the true identity of the customer.