To require megabanks, like Wells Fargo, to publicly disclose and pay damages to harmed consumers within a short timeframe when more than 50,000 consumers or consumer accounts are affected, or the amount of anticipated consumer remediation exceeds $10 million, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. introduced the following bill; which was referred to the Committee on

A BILL

To require megabanks, like Wells Fargo, to publicly disclose and pay damages to harmed consumers within a short timeframe when more than 50,000 consumers or consumer accounts are affected, or the amount of anticipated consumer remediation exceeds $10 million, 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,
SECTION 1. SHORT TITLE.

This Act may be cited as the “Consumer Abuse Remediation Enhancement Act of 2020” or the “CARE Act of 2020”.

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) AFFILIATED BANKING ORGANIZATION.—The term “affiliated banking organization” means any depository institution subsidiary or affiliate of a megabank that has an appropriate Federal banking agency.

(2) APPROPRIATE FEDERAL BANKING AGENCY.—The term “appropriate Federal banking agency”—

(A) has the meaning given that term under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

(B) includes the Consumer Bureau, with respect to an insured depository institution described under section 1025(a) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5515(a)).

(3) CONSUMER BUREAU.—The term “Consumer Bureau” means the Bureau of Consumer Financial Protection.
(4) Consumer reporting agency.—The term “consumer reporting agency” has the meaning given that term under section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a).

(5) Customer.—With respect to megabank or affiliated banking organization, the term “customer” includes an individual who, but for extensive consumer abuse, would be a customer of the megabank or affiliated banking organization.

(6) Megabank.—

(A) In general.—For purposes of this Act, the term “megabank” means—

(i) a bank holding company that has been identified by the Board of Governors of the Federal Reserve System as a global systemically important bank holding company pursuant to section 217.402 of title 12, Code of Federal Regulations; and

(ii) a global systemically important foreign banking organization, as defined under section 252.2 of title 12, Code of Federal Regulations.

(B) Treatment of existing GSIBs.—A company or organization described under clause (i) or (ii) of subparagraph (A) on the date of
the enactment of this Act shall be deemed a megabank.

(7) OTHER BANKING DEFINITIONS.—The terms “affiliate”, “appropriate Federal banking agency”, “depository institution”, “Federal banking agency”, and “subsidiary” have the meaning given those terms, respectively, under section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

SEC. 3. DISCLOSURE AND REMEDIATION OF EXTENSIVE CONSUMER ABUSE.

(a) IN GENERAL.—Any megabank or affiliated banking organization that has engaged or is engaging in extensive consumer abuse described under subsection (b) shall—

(1) not later than the end of the 72-hour period beginning on the hour on which the megabank or affiliated banking organization determines the existence of extensive consumer abuse, notify the appropriate Federal banking agency, the Consumer Bureau, the Congress, and the public of such extensive consumer abuse, including on the website of the megabank or affiliated banking organization;

(2) not later than the end of the 15-day period beginning on the date on which the megabank or affiliated banking organization determines the exist-
ence of extensive consumer abuse, submit a remediation plan to the Consumer Bureau under which the megabank or affiliated banking organization will—

(A) pay each customer of the megabank or affiliated banking organization affected by the extensive consumer abuse an amount equal to the damages suffered by such customer because of the extensive consumer abuse; and

(B) correct any incorrect information furnished to a consumer reporting agency in connection with such extensive consumer abuse; and

(3) not later than the end of the 30-day period beginning on the date the Consumer Bureau approves the remediation plan submitted pursuant to paragraph (2), complete such remediation plan.

(b) EXTENSIVE CONSUMER ABUSE.—For purposes of a megabank or affiliated banking organization, extensive consumer abuse described under this subsection is any individual violation or series of violations of Federal law by the megabank or affiliated banking organization that—

(1) in the aggregate, affects more than 50,000 customers or customer accounts of the megabank or affiliated banking organization;
(2) in the aggregate, results in the loss to customers of the megabank or affiliated banking organization of more than $10,000,000; or

(3) the Consumer Bureau determines to be extensive consumer abuse, including if such abuse results in significant reputational risk or raises other supervisory concerns.

(c) PENALTIES.—Any megabank or affiliated banking organization that violates subsection (a) shall be fined in an amount equal to—

(1) 3 times the aggregate amount of fines applicable to such megabank or organization for the extensive consumer abuse; or

(2) in the case of an extensive consumer abuse identified by the Consumer Bureau or a Federal banking agency before the applicable megabank or affiliated banking organization, 6 times the aggregate amount of fines applicable to such megabank or organization for the extensive consumer abuse.

(d) RULEMAKING.—The Consumer Bureau and the Federal banking agencies shall issue such rules as may be necessary to carry out this section.