

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3968
OFFERED BY MR. TORRES OF NEW YORK

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

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

4 SEC. 2. FINDINGS.

5 Congress finds the following:

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

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

16 (3) Guidance on the Consumer Identification
17 Program has not been updated since the staff of the
18 Board of Governors of the Federal Reserve System,

1 Federal Deposit Insurance Corporation, Financial
2 Crimes Enforcement Network, National Credit
3 Union Administration, Office of the Comptroller of
4 the Currency, Office of Thrift Supervision, and the
5 United States Department of the Treasury (in this
6 section referred to as “the Agencies”) issued “Inter-
7 agency Interpretive Guidance on Customer Identi-
8 fication Program Requirements under Section 326
9 of the USA PATRIOT Act, 2005 FAQs”.

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

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

20 (6) While the Agencies have issued statements
21 about the use of municipal identification for con-
22 sumer identification, many financial institutions
23 have been hesitant to incorporate municipal identi-
24 fication into the Consumer Identification Programs,

1 limiting access to banking for underserved popu-
2 lations.

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

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

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

