

[DISCUSSION DRAFT]

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R.** \_\_\_\_\_

To amend the Federal Deposit Insurance Act and the Federal Credit Union Act to expand employment opportunities for those with a previous minor criminal offense, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

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

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**A BILL**

To amend the Federal Deposit Insurance Act and the Federal Credit Union Act to expand employment opportunities for those with a previous minor criminal offense, 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 “Expanding Opportuni-  
5 ties in Banking Act”.

1 **SEC. 2. FEDERAL DEPOSIT INSURANCE ACT.**

2 Section 19 of the Federal Deposit Insurance Act (12  
3 U.S.C. 1829) is amended—

4 (1) by inserting after subsection (b) the fol-  
5 lowing:

6 “(c) EXCEPTIONS.—

7 “(1) CERTAIN OLDER OFFENSES.—

8 “(A) IN GENERAL.—With respect to an in-  
9 dividual, subsection (a) shall not apply to an of-  
10 fense if—

11 “(i) it has been 7 years or more since  
12 the offense occurred; or

13 “(ii) the individual was incarcerated  
14 with respect to the offense and it has been  
15 5 years or more since the individual was  
16 released from incarceration.

17 “(B) OFFENCES COMMITTED BY INDIVID-  
18 UALS 21 OR YOUNGER.—For individuals who  
19 committed an offense when they were 21 years  
20 of age or younger, subsection (a) shall not  
21 apply to the offense if it has been more than 30  
22 months since the sentencing occurred.

23 “(C) LIMITATION.—This paragraph shall  
24 not apply to an offense described under sub-  
25 section (a)(2).

1           “(2) EXPUNGEMENT AND SEALING.—With re-  
2           spect to an individual, subsection (a) shall not apply  
3           to an offense if—

4                   “(A) there is an order of expungement,  
5                   sealing, or dismissal that has been issued in re-  
6                   gard to the conviction in connection with such  
7                   offense; and

8                   “(B) it is intended by the language in the  
9                   order itself, or in the legislative provisions  
10                  under which the order was issued, that the con-  
11                  viction shall be destroyed or sealed from the in-  
12                  dividual’s State or Federal record, even if ex-  
13                  ceptions allow the record to be considered for  
14                  certain character and fitness evaluation pur-  
15                  poses.

16           “(3) DE MINIMIS EXEMPTION.—

17                   “(A) IN GENERAL.—Subsection (a) shall  
18                   not apply to such de minimis offenses as the  
19                   Corporation determines, by rule.

20                   “(B) CONFINEMENT CRITERIA.—In issuing  
21                   rules under subparagraph (A), the Corporation  
22                   shall include a requirement that the offense was  
23                   punishable by a term of three years or less con-  
24                   fined in a correctional facility, where such con-  
25                   finement—

1           “(i) is calculated based on the time an  
2           individual spent incarcerated as a punish-  
3           ment or a sanction, not as pretrial deten-  
4           tion; and

5           “(ii) does not include probation or pa-  
6           role where an individual was restricted to  
7           a particular jurisdiction or was required to  
8           report occasionally to an individual or a  
9           specific location.

10          “(C) BAD CHECK CRITERIA.—In setting  
11          the criteria for de minimis offenses under sub-  
12          paragraph (A), if the Corporation establishes  
13          criteria with respect to insufficient funds  
14          checks, the Corporation shall require that the  
15          aggregate total face value of all insufficient  
16          funds checks across all convictions or program  
17          entries related to insufficient funds checks is  
18          \$2,000 or less.

19          “(D) DESIGNATED LESSER OFFENSES.—  
20          Subsection (a) shall not apply to certain lesser  
21          offenses (including the use of a fake ID, shop-  
22          lifting, trespass, fare evasion, driving with an  
23          expired license or tag, and such other low-risk  
24          offenses as the Corporation may designate) if 1

1           year or more has passed since the applicable  
2           conviction or program entry.”; and

3           (2) by adding at the end the following:

4           “(f) CONSENT APPLICATIONS.—

5           “(1) IN GENERAL.—The Corporation shall ac-  
6           cept consent applications from an individual and  
7           from an insured depository institution or depository  
8           institution holding company on behalf of an indi-  
9           vidual that are filed separately or contemporaneously  
10          with a regional office of the Corporation.

11          “(2) SPONSORED APPLICATIONS FILED WITH  
12          REGIONAL OFFICES.—Consent applications filed at a  
13          regional office of the Corporation by an insured de-  
14          pository institution or depository institution holding  
15          company on behalf of an individual—

16                  “(A) shall be reviewed by such office;

17                  “(B) may be approved or denied by such  
18                  office, if such authority has been delegated to  
19                  such office by the Corporation; and

20                  “(C) may only be denied by such office if  
21                  the general counsel of the Corporation (or a  
22                  designee) certifies that the denial is consistent  
23                  with this section.

1           “(3) INDIVIDUAL APPLICATIONS FILED WITH  
2 REGIONAL OFFICES.—Consent applications filed at a  
3 regional office by an individual—

4           “(A) shall be reviewed by such office; and

5           “(B) may be approved or denied by such  
6 office, if such authority has been delegated to  
7 such office by the Corporation, except with re-  
8 spect to—

9           “(i) cases involving an offense de-  
10 scribed under subsection (a)(2); and

11           “(ii) such other high-level security  
12 cases as may be designated by the Cor-  
13 poration.

14           “(4) NATIONAL OFFICE REVIEW.—The national  
15 office of the Corporation shall—

16           “(A) review any consent application with  
17 respect to which a regional office is not author-  
18 ized to approve or deny the application; and

19           “(B) review any consent application that is  
20 denied by a regional office, if the individual re-  
21 quests a review by the national office.

22           “(5) FORMS AND INSTRUCTIONS.—

23           “(A) AVAILABILITY.—The Corporation  
24 shall make all forms and instructions related to

1 consent applications available to the public, in-  
2 cluding on the website of the Corporation.

3 “(B) CONTENTS.—The forms and instruc-  
4 tions described under subparagraph (A) shall  
5 provide a sample cover letter and a comprehen-  
6 sive list of items that may accompany the appli-  
7 cation, including clear guidance on evidence  
8 that may support a finding of rehabilitation.

9 “(6) CONSIDERATION OF CRIMINAL HISTORY.—

10 “(A) REGIONAL OFFICE CONSIDER-  
11 ATION.—In reviewing a consent application, a  
12 regional office shall—

13 “(i) primarily rely on the criminal his-  
14 tory record of the Federal Bureau of In-  
15 vestigation; and

16 “(ii) provide such record to the appli-  
17 cant to review for accuracy.

18 “(B) CERTIFIED COPIES.—The Corpora-  
19 tion may not require an applicant to provide  
20 certified copies of criminal history records un-  
21 less the Corporation determines that there is a  
22 clear and compelling justification to require ad-  
23 ditional information to verify the accuracy of  
24 the criminal history record of the Federal Bu-  
25 reau of Investigation.

1           “(7) CONSIDERATION OF REHABILITATION.—  
2           Consistent with title VII of the Civil Rights Act of  
3           1964 (42 U.S.C. 2000e et seq.), the Corporation  
4           shall—

5                   “(A) conduct an individualized assessment  
6                   when evaluating consent applications that takes  
7                   into account evidence of rehabilitation, the ap-  
8                   plicant’s age at the time of the conviction or  
9                   program entry, the time that has elapsed since  
10                  conviction or program entry, and the relation-  
11                  ship of individual’s offense to the responsibil-  
12                  ities of the applicable position;

13                   “(B) presume that the individual is reha-  
14                   bilitated if four years have passed since the in-  
15                   dividual’s offense and the individual has no sub-  
16                   sequent convictions; and

17                   “(C) consider the individual’s employment  
18                   history, letters of recommendation, certificates  
19                   documenting participation in substance abuse  
20                   programs, successful participating in job prepa-  
21                   ration and educational programs, and other rel-  
22                   evant mitigating evidence.

23           “(8) SCOPE OF EMPLOYMENT.—With respect to  
24           an approved consent application filed by an insured  
25           depository institution or depository institution hold-



1       ing company on behalf of an individual, if the Cor-  
2       poration determines it appropriate, such approved  
3       consent application shall allow the individual to work  
4       for the same employer (without restrictions on the  
5       location) and across positions, except that the prior  
6       consent of the Corporation (which may require a  
7       new application) shall be required for any proposed  
8       significant changes in the individual's security-re-  
9       lated duties or responsibilities, such as promotion to  
10      an officer or other positions that the employer deter-  
11      mines will require higher security screening creden-  
12      tials.

13      “(g) DEFINITIONS.—In this section:

14           “(1) CONSENT APPLICATION.—The term ‘con-  
15      sent application’ means an application filed with  
16      Corporation by an individual (or by an insured de-  
17      pository institution or depository institution holding  
18      company on behalf of an individual) seeking the  
19      written consent of the Corporation under subsection  
20      (a)(1).

21           “(2) CRIMINAL OFFENSE INVOLVING DISHON-  
22      ESTY.—The term ‘criminal offense involving dishon-  
23      esty’—

24                   “(A) means an offense under which an in-  
25      dividual, directly or indirectly—

1 “(i) cheats or defrauds; or

2 “(ii) wrongfully takes property belong-  
3 ing to another in violation of a criminal  
4 statute;

5 “(B) includes an offense that Federal,  
6 State, or local law defines as dishonest, or for  
7 which dishonestly is an element of the offense;  
8 and

9 “(C) does not include—

10 “(i) a misdemeanor criminal offense  
11 committed more than one year before the  
12 date on which an individual files a consent  
13 application, excluding any period of incar-  
14 ceration; or

15 “(ii) an offense involving the posses-  
16 sion, sale, manufacturing, or distribution  
17 of controlled substances.

18 “(3) PRETRIAL DIVERSION OR SIMILAR PRO-  
19 GRAM.—The term ‘pretrial diversion or similar pro-  
20 gram’ means a program characterized by a suspen-  
21 sion or eventual dismissal or reversal of charges or  
22 criminal prosecution upon agreement by the accused  
23 to restitution, drug or alcohol rehabilitation, anger  
24 management, or community service.”.

1 **SEC. 3. FEDERAL CREDIT UNION ACT.**

2 Section 205(d) of the Federal Credit Union Act (12  
3 U.S.C. 1785(d)) is amended by adding at the end the fol-  
4 lowing:

5 “(4) EXCEPTIONS.—

6 “(A) CERTAIN OLDER OFFENSES.—

7 “(i) IN GENERAL.—With respect to an  
8 individual, paragraph (1) shall not apply to  
9 an offense if—

10 “(I) it has been 7 years or more  
11 since the offense occurred; or

12 “(II) the individual was incarcer-  
13 ated with respect to the offense and it  
14 has been 5 years or more since the in-  
15 dividual was released from incarcer-  
16 ation.

17 “(ii) OFFENCES COMMITTED BY INDI-  
18 VIDUALS 21 OR YOUNGER.—For individuals  
19 who committed an offense when they were  
20 21 years of age or younger, paragraph (1)  
21 shall not apply to the offense if is has been  
22 more than 30 months since the sentencing  
23 occurred.

24 “(iii) LIMITATION.—This subpara-  
25 graph shall not apply to an offense de-  
26 scribed under paragraph (1)(B).

1           “(B) EXPUNGEMENT AND SEALING.—With  
2           respect to an individual, paragraph (1) shall not  
3           apply to an offense if—

4                   “(i) there is an order of expungement,  
5                   sealing, or dismissal that has been issued  
6                   in regard to the conviction in connection  
7                   with such offense; and

8                   “(ii) it is intended by the language in  
9                   the order itself, or in the legislative provi-  
10                  sions under which the order was issued,  
11                  that the conviction shall be destroyed or  
12                  sealed from the individual’s State or Fed-  
13                  eral record, even if exceptions allow the  
14                  record to be considered for certain char-  
15                  acter and fitness evaluation purposes.

16           “(C) DE MINIMIS EXEMPTION.—

17                   “(i) IN GENERAL.—Paragraph (1)  
18                   shall not apply to such de minimis offenses  
19                   as the Board determines, by rule.

20                   “(ii) CONFINEMENT CRITERIA.—In  
21                   issuing rules under clause (i), the Board  
22                   shall include a requirement that the of-  
23                   fense was punishable by a term of three  
24                   years or less confined in a correctional fa-  
25                   cility, where such confinement—

1                   “(I) is calculated based on the  
2                   time an individual spent incarcerated  
3                   as a punishment or a sanction, not as  
4                   pretrial detention; and

5                   “(II) does not include probation  
6                   or parole where an individual was re-  
7                   stricted to a particular jurisdiction or  
8                   was required to report occasionally to  
9                   an individual or a specific location.

10                  “(iii) BAD CHECK CRITERIA.—In set-  
11                  ting the criteria for de minimis offenses  
12                  under clause (i), if the Board establishes  
13                  criteria with respect to insufficient funds  
14                  checks, the Board shall require that the  
15                  aggregate total face value of all insufficient  
16                  funds checks across all convictions or pro-  
17                  gram entries related to insufficient funds  
18                  checks is \$2,000 or less.

19                  “(iv) DESIGNATED LESSER OF-  
20                  FENSES.—Paragraph (1) shall not apply to  
21                  certain lesser offenses (including the use of  
22                  a fake ID, shoplifting, trespass, fare eva-  
23                  sion, driving with an expired license or tag,  
24                  and such other low-risk offenses as the  
25                  Board may designate) if 1 year or more

1           has passed since the applicable conviction  
2           or program entry.

3           “(5) CONSENT APPLICATIONS.—

4           “(A) IN GENERAL.—The Board shall ac-  
5           cept consent applications from an individual  
6           and from an insured credit union on behalf of  
7           an individual that are filed separately or con-  
8           temporaneously with a regional office of the  
9           Board.

10           “(B) SPONSORED APPLICATIONS FILED  
11           WITH REGIONAL OFFICES.—Consent applica-  
12           tions filed at a regional office of the Board by  
13           an insured credit union on behalf of an indi-  
14           vidual—

15           “(i) shall be reviewed by such office;

16           “(ii) may be approved or denied by  
17           such office, if such authority has been dele-  
18           gated to such office by the Board; and

19           “(iii) may only be denied by such of-  
20           fice if the general counsel of the Board (or  
21           a designee) certifies that the denial is con-  
22           sistent with this section.

23           “(C) INDIVIDUAL APPLICATIONS FILED  
24           WITH REGIONAL OFFICES.—Consent applica-

1 tions filed at a regional office by an indi-  
2 vidual—

3 “(i) shall be reviewed by such office;  
4 and

5 “(ii) may be approved or denied by  
6 such office, if such authority has been dele-  
7 gated to such office by the Board, except  
8 with respect to—

9 “(I) cases involving an offense  
10 described under paragraph (1)(B);  
11 and

12 “(II) such other high-level secu-  
13 rity cases as may be designated by the  
14 Board.

15 “(D) NATIONAL OFFICE REVIEW.—The  
16 national office of the Board shall—

17 “(i) review any consent application  
18 with respect to which a regional office is  
19 not authorized to approve or deny the ap-  
20 plication; and

21 “(ii) review any consent application  
22 that is denied by a regional office, if the  
23 individual requests a review by the national  
24 office.

25 “(E) FORMS AND INSTRUCTIONS.—

1           “(i) AVAILABILITY.—The Board shall  
2           make all forms and instructions related to  
3           consent applications available to the public,  
4           including on the website of the Board.

5           “(ii) CONTENTS.—The forms and in-  
6           structions described under clause (i) shall  
7           provide a sample cover letter and a com-  
8           prehensive list of items that may accom-  
9           pany the application, including clear guid-  
10          ance on evidence that may support a find-  
11          ing of rehabilitation.

12          “(F) CONSIDERATION OF CRIMINAL HIS-  
13          TORY.—

14               “(i) REGIONAL OFFICE CONSIDER-  
15               ATION.—In reviewing a consent applica-  
16               tion, a regional office shall—

17                       “(I) primarily rely on the crimi-  
18                       nal history record of the Federal Bu-  
19                       reau of Investigation; and

20                       “(II) provide such record to the  
21                       applicant to review for accuracy.

22               “(ii) CERTIFIED COPIES.—The Board  
23               may not require an applicant to provide  
24               certified copies of criminal history records  
25               unless the Board determines that there is



1 a clear and compelling justification to re-  
2 quire additional information to verify the  
3 accuracy of the criminal history record of  
4 the Federal Bureau of Investigation.

5 “(G) CONSIDERATION OF REHABILITA-  
6 TION.—Consistent with title VII of the Civil  
7 Rights Act of 1964 (42 U.S.C. 2000e et seq.),  
8 the Board shall—

9 “(i) conduct an individualized assess-  
10 ment when evaluating consent applications  
11 that takes into account evidence of reha-  
12 bilitation, the applicant’s age at the time  
13 of the conviction or program entry, the  
14 time that has elapsed since conviction or  
15 program entry, and the relationship of in-  
16 dividual’s offense to the responsibilities of  
17 the applicable position;

18 “(ii) presume that the individual is re-  
19 habilitated if four years have passed since  
20 the individual’s offense and the individual  
21 has no subsequent convictions; and

22 “(iii) consider the individual’s employ-  
23 ment history, letters of recommendation,  
24 certificates documenting participation in  
25 substance abuse programs, successful par-

1            participating in job preparation and edu-  
2            cational programs, and other relevant miti-  
3            gating evidence.

4            “(H) SCOPE OF EMPLOYMENT.—With re-  
5            spect to an approved consent application filed  
6            by an insured credit union on behalf of an indi-  
7            vidual, if the Board determines it appropriate,  
8            such approved consent application shall allow  
9            the individual to work for the same employer  
10           (without restrictions on the location) and across  
11           positions, except that the prior consent of the  
12           Board (which may require a new application)  
13           shall be required for any proposed significant  
14           changes in the individual’s security-related du-  
15           ties or responsibilities, such as promotion to an  
16           officer or other positions that the employer de-  
17           termines will require higher security screening  
18           credentials.

19           “(6) DEFINITIONS.—In this subsection:

20           “(A) CONSENT APPLICATION.—The term  
21           ‘consent application’ means an application filed  
22           with Board by an individual (or by an insured  
23           credit union on behalf of an individual) seeking  
24           the written consent of the Board under para-  
25           graph (1)(A).

1                   “(B) CRIMINAL OFFENSE INVOLVING DIS-  
2 HONESTY.—The term ‘criminal offense involv-  
3 ing dishonesty’—

4                   “(i) means an offense under which an  
5 individual, directly or indirectly—

6                                 “(I) cheats or defrauds; or

7                                 “(II) wrongfully takes property  
8 belonging to another in violation of a  
9 criminal statute;

10                   “(ii) includes an offense that Federal,  
11 State, or local law defines as dishonest, or  
12 for which dishonestly is an element of the  
13 offense; and

14                   “(iii) does not include—

15                                 “(I) a misdemeanor criminal of-  
16 fense committed more than one year  
17 before the date on which an individual  
18 files a consent application, excluding  
19 any period of incarceration; or

20                                 “(II) an offense involving the  
21 possession, sale, manufacturing, or  
22 distribution of controlled substances.

23                   “(C) PRETRIAL DIVERSION OR SIMILAR  
24 PROGRAM.—The term ‘pretrial diversion or  
25 similar program’ means a program character-

1           ized by a suspension or eventual dismissal or  
2           reversal of charges or criminal prosecution upon  
3           agreement by the accused to restitution, drug  
4           or alcohol rehabilitation, anger management, or  
5           community service.”.

6   **SEC. 4. REVIEW AND REPORT TO CONGRESS.**

7           Not later than the end of the 2-year period beginning  
8           on the date of enactment of this Act, the Federal Deposit  
9           Insurance Corporation and the National Credit Union Ad-  
10          ministration shall—

11           (1) review the rules issued to carry out this Act  
12          and the amendments made by this Act on—

13                   (A) the application of section 19 of the  
14                   Federal Deposit Insurance Act (12 U.S.C.  
15                   1829) and section 205(d) of the Federal Credit  
16                   Union Act (12 U.S.C. 1785(d)); and

17                   (B) the rates of approval and denial for  
18                   consent applications under such sections;

19           (2) make the results of the review required  
20          under paragraph (1) available to the public; and

21           (3) issue a report to Congress containing any  
22          legislative or regulatory recommendations for ex-  
23          panding employment opportunities for those with a  
24          previous minor criminal offense.