CBA | CONSUMER BANKERS ASSOCIATION

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# S. 2155 – Notable Provisions

## Relief for Systemically Important Financial Institutions (SIFIs)

The Dodd-Frank Act designates a financial institution as systemically important if it meets or exceeds an arbitrary $50 billion asset threshold. Provisions in S. 2155 significantly change the designation of systemically important financial institutions with assets less than $250 billion.

| $50B - $100B | $100B - $250B | >$250B |
| --- | --- | --- |
| No longer considered SIFIs immediately upon enactment. | Exempted from the designation 18 months after the date of enactment. The Federal Reserve will conduct periodic supervisory tests and has the authority to recommend to FSOC that it deems them systemically important in the future. | No change. |

## MOBILE Act

The bill includes the Making Online Banking Initiation Legal and Easy (MOBILE) Act, which would simplify consumers' ability to open bank accounts online or on a mobile device through the process of scanning or copying their state issued identification card. The MOBILE Act brings consistency to the various state laws that may prohibit swiping or copying state-issued identification cards. Financial institutions must still comply with federal laws aimed at preventing identity theft, financial fraud, money laundering, and terrorist financing, including the Bank Secrecy Act, its anti-money laundering rules, and Know Your Customer and Customer Identification Programs.

## Credit Freezes

The bill amends the Fair Credit Reporting Act to require credit bureaus provide consumers the right to place a security freeze on their credit reports free of charge. It would also extend the initial fraud alert time period from 90 days to one year.

## Private Student Lending

The bill amends the Truth in Lending Act to prohibit a creditor from accelerating or declaring a default on a private student loan solely based on the bankruptcy or death of a cosigner. Also, amends the Fair Credit Reporting Act to allow consumers who have defaulted on a private student loan to request the removal of the default from their credit report upon completion of a lender offered loan rehabilitation program and bringing payments current.

## Synthetic Fraud Protection

The Protecting Children from Identity Theft Act is also included. This legislation will help protect children and adults from the threat of identity theft and fraud. Specifically, the legislation would require the Social Security Administration to maintain a database which can be accessed by financial institutions to verify a person's name, date of birth, and social security number for lending decisions and would permit the use of an electronic signature for consumer consent.

  