

**[DISCUSSION DRAFT]**

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

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

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.

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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 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Consumer Abuse Re-  
3 mediation Enhancement Act of 2020” or the “CARE Act  
4 of 2020”.

5 **SEC. 2. DEFINITIONS.**

6 For purposes of this Act:

7 (1) **AFFILIATED BANKING ORGANIZATION.**—

8 The term “affiliated banking organization” means  
9 any depository institution subsidiary or affiliate of a  
10 megabank that has an appropriate Federal banking  
11 agency.

12 (2) **APPROPRIATE FEDERAL BANKING AGEN-**  
13 **CY.**—The term “appropriate Federal banking agen-  
14 cy”—

15 (A) has the meaning given that term under  
16 section 3 of the Federal Deposit Insurance Act  
17 (12 U.S.C. 1813); and

18 (B) includes the Consumer Bureau, with  
19 respect to an insured depository institution de-  
20 scribed under section 1025(a) of the Consumer  
21 Financial Protection Act of 2010 (12 U.S.C.  
22 5515(a)).

23 (3) **CONSUMER BUREAU.**—The term “Consumer  
24 Bureau” means the Bureau of Consumer Financial  
25 Protection.

1           (4) CONSUMER REPORTING AGENCY.—The term  
2           “consumer reporting agency” has the meaning given  
3           that term under section 603 of the Fair Credit Re-  
4           porting Act (15 U.S.C. 1681a).

5           (5) CUSTOMER.—With respect to megabank or  
6           affiliated banking organization, the term “customer”  
7           includes an individual who, but for extensive con-  
8           sumer abuse, would be a customer of the megabank  
9           or affiliated banking organization.

10          (6) MEGABANK.—

11           (A) IN GENERAL.—For purposes of this  
12           Act, the term “megabank” means—

13           (i) a bank holding company that has  
14           been identified by the Board of Governors  
15           of the Federal Reserve System as a global  
16           systemically important bank holding com-  
17           pany pursuant to section 217.402 of title  
18           12, Code of Federal Regulations; and

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

23           (B) TREATMENT OF EXISTING GSIBS.—A  
24           company or organization described under clause  
25           (i) or (ii) of subparagraph (A) on the date of

1           the enactment of this Act shall be deemed a  
2           megabank.

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

9   **SEC. 3. DISCLOSURE AND REMEDIATION OF EXTENSIVE**  
10                           **CONSUMER ABUSE.**

11           (a) IN GENERAL.—Any megabank or affiliated bank-  
12           ing organization that has engaged or is engaging in exten-  
13           sive consumer abuse described under subsection (b)  
14           shall—

15                   (1) not later than the end of the 72-hour period  
16           beginning on the hour on which the megabank or af-  
17           filiated banking organization determines the exist-  
18           ence of extensive consumer abuse, notify the appro-  
19           priate Federal banking agency, the Consume Bu-  
20           reau, the Congress, and the public of such extensive  
21           consumer abuse, including on the website of the  
22           megabank or affiliated banking organization;

23                   (2) not later than the end of the 15-day period  
24           beginning on the date on which the megabank or af-  
25           filiated banking organization determines the exist-

1           ence of extensive consumer abuse, submit a remedi-  
2           ation plan to the Consumer Bureau under which the  
3           megabank or affiliated banking organization will—

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

9                   (B) correct any incorrect information fur-  
10                  nished to a consumer reporting agency in con-  
11                  nection with such extensive consumer abuse;  
12                  and

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

17                 (b) EXTENSIVE CONSUMER ABUSE.—For purposes of  
18                 a megabank or affiliated banking organization, extensive  
19                 consumer abuse described under this subsection is any in-  
20                 dividual violation or series of violations of Federal law by  
21                 the megabank or affiliated banking organization that—

22                   (1) in the aggregate, affects more than 50,000  
23                   customers or customer accounts of the megabank or  
24                   affiliated banking organization;

1           (2) in the aggregate, results in the loss to cus-  
2           tomers of the megabank or affiliated banking organi-  
3           zation of more than \$10,000,000; or

4           (3) the Consumer Bureau determines to be ex-  
5           tensive consumer abuse, including if such abuse re-  
6           sults in significant reputational risk or raises other  
7           supervisory concerns.

8           (c) PENALTIES.—Any megabank or affiliated bank-  
9           ing organization that violates subsection (a) shall be fined  
10          in an amount equal to—

11          (1) 3 times the aggregate amount of fines appli-  
12          cable to such megabank or organization for the ex-  
13          tensive consumer abuse; or

14          (2) in the case of an extensive consumer abuse  
15          identified by the Consumer Bureau or a Federal  
16          banking agency before the applicable megabank or  
17          affiliated banking organization, 6 times the aggre-  
18          gate amount of fines applicable to such megabank or  
19          organization for the extensive consumer abuse.

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