

103D CONGRESS
1ST SESSION

H. R. 1594

To reduce the amount of deposit insurance for insured depository institutions from \$100,000 to \$25,000.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1993

Mr. CRANE introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

A BILL

To reduce the amount of deposit insurance for insured depository institutions from \$100,000 to \$25,000.

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 “Deposit Insurance Re-
5 duction Act of 1993”.

6 **SEC. 2. REDUCTION IN DEPOSIT INSURANCE FROM \$100,000**

7 **TO \$25,000.**

8 (a) FDIC INSURED DEPOSITORY INSTITUTIONS.—

9 (1) IN GENERAL.—Section 11(a)(1)(B) of the
10 Federal Deposit Insurance Act (12 U.S.C.

1 1821(a)(1)(B)) is amended by striking “\$100,000”
2 and inserting “\$25,000”.

3 (2) TRUST FUNDS.—

4 (A) IN GENERAL.—Section 7(i) of the Fed-
5 eral Deposit Insurance Act (12 U.S.C. 1817(i))
6 is amended by striking “\$100,000” and insert-
7 ing “\$25,000”.

8 (B) SUBSEQUENT AMENDMENT.—Effective
9 on the effective date of the amendment made by
10 section 311(b)(3) of the Federal Deposit Insur-
11 ance Corporation Improvement Act of 1991,
12 section 7(i)(1) of the Federal Deposit Insurance
13 Act (as amended by such section 311(b)(3)) is
14 amended by striking “\$100,000” and inserting
15 “\$25,000”.

16 (3) OTHER LIMITS ON DEPOSIT INSURANCE.—

17 (A) IN GENERAL.—Paragraphs (2)(A) and
18 (3) of section 11(a) of the Federal Deposit In-
19 surance Act (12 U.S.C. 1821(a)) are amended
20 by striking “\$100,000” each place such term
21 appears and inserting “\$25,000”.

22 (B) SUBSEQUENT AMENDMENT.—Effective
23 on the effective date of the amendment made by
24 section 311(b)(2) of the Federal Deposit Insur-
25 ance Corporation Improvement Act of 1991,

1 section 11(a)(3)(A) of the Federal Deposit In-
2 surance Act (as amended by such section
3 311(b)(2)) is amended by striking “\$100,000”
4 and inserting “\$25,000”.

5 (4) EFFECTIVE DATE.—The amendments made
6 by paragraphs (1), (2), and (3) shall take effect at
7 the end of the 60-day period beginning on the date
8 of the enactment of this Act.

9 (5) TRANSITION PERIOD.—Notwithstanding the
10 amendments made by paragraphs (1), (2), and (3),
11 if the total amount of insured deposits of any de-
12 positor at any insured depository institution (deter-
13 mined as of the close of business on the day before
14 the effective date of such amendments under para-
15 graph (4)) exceeds \$25,000, such excess amount
16 may continue to be treated, in accordance with regu-
17 lations which the Federal Deposit Insurance Cor-
18 poration shall prescribe, as insured deposits in the
19 manner provided in section 8(a)(7) of the Federal
20 Deposit Insurance Act during the 1-year period be-
21 ginning on such effective date.

22 (6) NOTICE.—The Federal Deposit Insurance
23 Corporation shall require, by regulation, each in-
24 sured depository institution to provide notice to each

1 accountholder at such institution before the end of
2 the 60-day period described in paragraph (4) of—

3 (A) the reduction in the amount of deposit
4 insurance available on deposits at the institu-
5 tion; and

6 (B) the transition rules prescribed pursu-
7 ant to paragraph (5).

8 (7) ENFORCEMENT.—For purposes of enforcing
9 any requirement of this subsection or any regulation
10 prescribed by the Federal Deposit Insurance Cor-
11 poration pursuant to this subsection, such Corpora-
12 tion shall be treated as the appropriate Federal
13 banking agency for any insured depository institu-
14 tion.

15 (8) INSURED DEPOSITORY INSTITUTIONS DE-
16 FINED.—For purposes of this subsection, the term
17 “insured depository institution” has the meaning
18 given to such term in section 3(c)(2) of the Federal
19 Deposit Insurance Act.

20 (b) NCUA INSURED CREDIT UNIONS.—

21 (1) IN GENERAL.—Paragraphs (1), (2)(A), and
22 (3) of section 207(k) of the Federal Credit Union
23 Act (12 U.S.C. 1787(k)) are amended by striking
24 “\$100,000” each place such term appears and in-
25 serting “\$25,000”.

1 (2) EFFECTIVE DATE.—The amendments made
2 by paragraph (1) shall take effect at the end of the
3 60-day period beginning on the date of the enact-
4 ment of this Act.

5 (3) TRANSITION PERIOD.—Notwithstanding the
6 amendments made by paragraph (1), if the total
7 amount of insured deposits of any accountholder at
8 any insured credit union (determined as of the close
9 of business on the day before the effective date of
10 such amendments under paragraph (2)) exceeds
11 \$25,000, such excess amount may continue to be
12 treated, in accordance with regulations which the
13 National Credit Union Administration shall pre-
14 scribe, as insured deposits in the manner provided in
15 section 206(d)(1) of the Federal Credit Union Act
16 during the 1-year period beginning on such effective
17 date.

18 (4) NOTICE.—The National Credit Union Ad-
19 ministration shall require, by regulation, each in-
20 sured credit union to provide notice to each
21 accountholder at such credit union before the end of
22 the 60-day period described in paragraph (2) of—

23 (A) the reduction in the amount of deposit
24 insurance available on deposits at the credit
25 union; and

1 (B) the transition rules prescribed pursu-
2 ant to paragraph (3).

3 (c) REGULATIONS.—The Board of Directors of the
4 Federal Deposit Insurance Corporation and the National
5 Credit Union Administration Board shall prescribe regula-
6 tions necessary to carry out this section.

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