

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1769

To provide for adequate funding for the Financing Corporation, to provide for the merger of the deposit insurance funds, to merge the positions of Comptroller of the Currency and Director of the Office of Thrift Supervision, to provide for the conversion of savings associations into banks, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 1995

Mr. McCOLLUM introduced the following bill; which was referred to the  
Committee on Banking and Financial Services

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## A BILL

To provide for adequate funding for the Financing Corporation, to provide for the merger of the deposit insurance funds, to merge the positions of Comptroller of the Currency and Director of the Office of Thrift Supervision, to provide for the conversion of savings associations into banks, 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 “Federal Deposit Insur-  
5       ance Amendments Act of 1995”.

1 **TITLE I—BANK INSURANCE**  
2 **FUND AND SAVINGS ASSOCIA-**  
3 **TION INSURANCE FUND**

4 **SEC. 101. REFUND OF AMOUNTS IN BIF AND SAIF IN EX-**  
5 **CESS OF DESIGNATED RESERVE AMOUNT.**

6 Subsection (e) of section 7 of the Federal Deposit In-  
7 surance Act (12 U.S.C. 1817(e)) is amended to read as  
8 follows:

9 “(e) REFUNDS.—

10 “(1) OVERPAYMENTS.—In the case of any pay-  
11 ment of an assessment by an insured depository in-  
12 stitution in excess of the amount due to the Cor-  
13 poration, the Corporation may—

14 “(A) refund the amount of the excess pay-  
15 ment to the insured depository institution; or

16 “(B) credit such excess amount toward the  
17 payment of subsequent semiannual assessments  
18 until such credit is exhausted.

19 “(2) BALANCE IN INSURANCE FUND IN EXCESS  
20 OF DESIGNATED RESERVE.—The amount by which  
21 the actual reserves in any insurance fund exceed the  
22 balance required to meet the designated reserve ap-  
23 plicable with respect to such fund shall be refunded  
24 to members of the fund by the Corporation on such  
25 basis as the Board of Directors determines to be ap-

1       appropriate, taking into account the factors considered  
2       under the risk-based assessment system.”.

3   **SEC. 102. PAYMENT OF FICO CARRYING COSTS FROM IN-**  
4                   **TEREST EARNED ON DEPOSIT INSURANCE**  
5                   **FUNDS.**

6       (a) IN GENERAL.—Section 11(a) of the Federal De-  
7       posit Insurance Act (12 U.S.C. 1821(a)) is amended by  
8       adding at the end the following new paragraph:

9               “(9) AVAILABILITY OF INTEREST FOR FICO  
10       CARRYING COSTS.—

11               “(A) IN GENERAL.—Interest earned on the  
12       balance in any deposit insurance fund main-  
13       tained by the Corporation (other than the  
14       FSLIC Resolution Fund) shall be available for  
15       transfer to the Financing Corporation for pur-  
16       poses of section 21(f)(1) of the Federal Home  
17       Loan Bank Act.

18               “(B) AMOUNT OF INTEREST PROPOR-  
19       TIONAL TO AMOUNT OF INSURED DEPOSITS.—  
20       The amount of interest paid to the Financing  
21       Corporation from any insurance fund pursuant  
22       to subparagraph (A) shall bear the same pro-  
23       portion to the total amount of interest paid  
24       pursuant to such subparagraph as the amount  
25       of deposits insured by such insurance fund

1 bears to the total amount of insured deposits,  
2 as determined by the Corporation on the basis  
3 of the most recent certified statements submit-  
4 ted to the Corporation pursuant to section  
5 7(c)(1) and such other information as the Cor-  
6 poration may consider appropriate.

7 “(C) PAYMENT BY CORPORATION.—Upon  
8 receiving notice from the Financing Corporation  
9 of the amount needed for purposes of section  
10 21(f) of the Federal Home Loan Bank Act, the  
11 Corporation shall pay such amount from the in-  
12 terest earned on the balances in the deposit in-  
13 surance funds in accordance with subparagraph  
14 (B).”.

15 (b) CONFORMING AMENDMENT TO FEDERAL HOME  
16 LOAN BANK ACT.—Section 21(f)(1) of the Federal Home  
17 Loan Bank Act (12 U.S.C. 1441(f)(1)) is amended to read  
18 as follows:

19 “(1) INTEREST EARNED ON INSURED DEPOSIT  
20 FUNDS.—The interest earned on the balance in any  
21 deposit insurance fund maintained by the Federal  
22 Deposit Insurance Corporation (other than the  
23 FSLIC Resolution Fund) as provided in section  
24 11(a)(9) of the Federal Deposit Insurance Act.”.

1 (c) ASSESSMENT AUTHORITY TO COVER INTEREST  
2 SHORTFALL.—Section 21(f)(2) of the Federal Home Loan  
3 Bank Act (12 U.S.C. 1441(f)(2)) is amended to read as  
4 follows:

5 “(2) ASSESSMENT AUTHORITY.—

6 “(A) IN GENERAL.—If the amount of in-  
7 terest earned on the balance in any deposit in-  
8 surance fund referred to in paragraph (1) is  
9 less than such insurance fund’s proportional  
10 share of the amount of interest payments, issu-  
11 ance costs, and custodial fees under section  
12 11(a)(9)(B) of the Federal Deposit Insurance  
13 Act, the Financing Corporation, with the ap-  
14 proval of the Board of Directors of the Federal  
15 Deposit Insurance Corporation, shall assess  
16 against each member of such fund an assess-  
17 ment (in the same manner as assessments are  
18 assessed against such members by the Federal  
19 Deposit Insurance Corporation under section 7  
20 of the Federal Deposit Insurance Act).

21 “(B) MAXIMUM AMOUNT OF ASSESS-  
22 MENT.—No assessment under subparagraph  
23 (A) with respect to members of a deposit insur-  
24 ance fund maintained by the Federal Deposit  
25 Insurance Corporation may exceed the amount

1 authorized to be assessed against members Sav-  
2 ings Association Insurance Fund members pur-  
3 suant to section 7 of the Federal Deposit Insur-  
4 ance Act.

5 “(C) PRIORITY.—The Financing Corpora-  
6 tion shall have first priority to make the assess-  
7 ment authorized under subparagraph (A).”.

8 (d) TECHNICAL AND CONFORMING AMENDMENT TO  
9 THE FEDERAL DEPOSIT INSURANCE ACT.—Section  
10 7(b)(2)(D) of the Federal Deposit Insurance Act (12  
11 U.S.C. 1817(b)(2)(D)) is amended by striking “Savings  
12 Association Insurance Fund members” and inserting  
13 “members of a deposit insurance fund”.

14 **SEC. 103. REPEAL OF CERTAIN CERTIFICATION REQUIRE-**  
15 **MENTS RELATING TO RTC FUNDS.**

16 Subparagraph (F) of section 11(a)(6) of the Federal  
17 Deposit Insurance Act (12 U.S.C. 1821(a)(6)) is amend-  
18 ed—

19 (1) by striking “At any time” and all that fol-  
20 lows through “Resolution Trust Corporation,” (the  
21 1st place such term appears) and inserting “At any  
22 time before the on the date of publication in the  
23 Federal Register of the notice of the merger of the  
24 Bank Insurance Fund and the Savings Association  
25 Insurance Fund into 1 deposit insurance fund under

1 section 104(a) of the Federal Deposit Insurance  
2 Amendments Act of 1995,”;

3 (2) by inserting “to pay for losses which have  
4 been incurred or can reasonably be expected to be  
5 incurred by the Fund” after “are needed by the  
6 Fund”; and

7 (3) by striking “Corporation, if the Chair-  
8 person” and all that follows through the end of such  
9 subparagraph and inserting “Corporation.”.

10 **SEC. 104. MERGER OF BIF AND SAIF AFTER RECAPITALIZA-**  
11 **TION.**

12 (a) IN GENERAL.—Effective at the end of first cal-  
13 endar year during which the Bank Insurance Fund and  
14 the Savings Association Insurance Fund have each been  
15 determined by the Federal Deposit Insurance Corporation  
16 to have achieved the designated reserve ratio applicable  
17 with respect to each such fund under section 7(b) of the  
18 Federal Deposit Insurance Act, the Corporation shall—

19 (1) merge the 2 insurance funds into 1 deposit  
20 insurance fund; and

21 (2) publish a notice of such merger in the Fed-  
22 eral Register at the time such merger becomes effec-  
23 tive.

24 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

1           (1) Section 11(a)(5) of the Federal Deposit In-  
2           surance Act (12 U.S.C. 1821(a)(5)) is amended to  
3           read as follows:

4           “(5) DEPOSIT INSURANCE FUND.—

5           “(A) ESTABLISHMENT.—There is estab-  
6           lished a fund to be known as the deposit insur-  
7           ance fund which shall—

8                   “(i) be maintained and administered  
9                   by the Corporation; and

10                   “(ii) initially consist of the assets and  
11                   liabilities of the Bank Insurance Fund and  
12                   Savings Association Insurance Fund which  
13                   have been merged by the Corporation into  
14                   the deposit insurance fund pursuant to  
15                   section 5(a) of the Federal Deposit Insur-  
16                   ance Amendments Act of 1995.

17           “(B) USES.—The deposit insurance fund  
18           shall be available to the Corporation for use  
19           with respect to insured depository institutions.

20           “(C) DEPOSITS.—All amounts assessed  
21           against insured depository institutions by the  
22           Corporation shall be deposited into the deposit  
23           insurance fund.”.

1           (2) Section 11(a) of the Federal Deposit Insur-  
2           ance Act (12 U.S.C. 1821(a)) is amended by strik-  
3           ing paragraphs 4(A), (6), and (7).

4           (3) Section 7 of the Federal Deposit Insurance  
5           Act (12 U.S.C. 1817) is amended by striking sub-  
6           section (l).

7           (4) Section 7(b)(2) of the Federal Deposit In-  
8           surance Act (12 U.S.C. 1817(b)(2)) is amended—

9                   (A) by striking subparagraphs (B), (F),  
10                  and (G);

11                   (B) in clauses (i) and (iv) of subparagraph  
12                  (A), by striking “each deposit insurance fund”  
13                  and inserting “the deposit insurance fund”;

14                   (C) in subparagraph (A)(iii), by striking  
15                  “a deposit insurance fund” and inserting “the  
16                  deposit insurance fund”; and

17                   (D) by inserting after subparagraph (E)  
18                  the following new subparagraph:

19                           “(F) RESERVE RATIO DEFINED.—For pur-  
20                           poses of this subsection, the term ‘reserve ratio’  
21                           means the ratio of the net worth of the deposit  
22                           insurance fund to the value of the aggregate es-  
23                           timated insured deposits held in all insured de-  
24                           pository institutions.”.

1           (5) Section 7(b)(3) of the Federal Deposit In-  
2           surance Act (12 U.S.C. 1817(b)(3)) is amended—

3                   (A) in subparagraph (A) by striking “any  
4                   deposit insurance fund” and inserting “the de-  
5                   posit insurance fund”; and

6                   (B) by striking subparagraphs (C) and  
7                   (D).

8           (6) Section 7(b)(6) of the Federal Deposit In-  
9           surance Act (12 U.S.C. 1817(b)(6)) is amended—

10                   (A) in subparagraph (A)—

11                           (i) by inserting “or” after the semi-  
12                           colon at the end of clause (i);

13                           (ii) by striking clause (ii); and

14                           (iii) by striking “; and” at the end of  
15                           clause (iii) and inserting a period; and

16                   (B) by striking subparagraph (B).

17           (7) Section 7 of the Federal Deposit Insurance  
18           Act (12 U.S.C. 1817) is amended by striking sub-  
19           section (l).

20           (8) Section 11(a)(4)(B) of the Federal Deposit  
21           Insurance Act (12 U.S.C. 1821(a)(4)(B)) is amend-  
22           ed by striking “Bank Insurance Fund and the Sav-  
23           ings Association Insurance Fund” and inserting “de-  
24           posit insurance fund”.

1           (9) Paragraph (1) of section 11(f) of the Fed-  
2           eral Deposit Insurance Act (12 U.S.C. 1821(f)) is  
3           amended by striking “depositor, except that—” and  
4           all that follows through the period at the end of the  
5           paragraph and inserting “depositor.”.

6           (10) Section 11(i)(3) of the Federal Deposit In-  
7           surance Act (12 U.S.C. 1821(i)(3)) is amended—

8                     (A) by striking subparagraph (B); and

9                     (B) in subparagraph (C), by striking “sub-  
10            paragraphs (A) and (B)” and inserting “sub-  
11            paragraph (A)”.

12           (11) Section 11A(a)(3) of the Federal Deposit  
13           Insurance Act (12 U.S.C. 1821a(a)(3)) is amended  
14           by striking “Bank Insurance Fund, the Savings As-  
15           sociation Insurance Fund,” and inserting “deposit  
16           insurance fund”.

17           (12) Section 11A(f) of the Federal Deposit In-  
18           surance Act (12 U.S.C. 1821a(f)) is amended by  
19           striking “Savings Association Insurance Fund” and  
20           inserting “deposit insurance fund”.

21           (13) Section 13(a)(1) of the Federal Deposit  
22           Insurance Act (12 U.S.C. 1823(a)(1)) is amended  
23           by striking “Bank Insurance Fund, Savings Associa-  
24           tion Insurance Fund,” and inserting “deposit insur-  
25           ance fund”.

1           (14) Section 13(c)(4)(G) of the Federal Deposit  
2 Insurance Act (12 U.S.C. 1823(c)(4)(G)) is amend-  
3 ed—

4           (A) in clause (ii)—

5           (i) by striking “appropriate insurance  
6 fund” and inserting “depository insurance  
7 fund”;

8           (ii) by striking “the members of the  
9 insurance fund (of which such institution  
10 is a member)” and inserting “insured de-  
11 pository institutions”;

12           (iii) by striking “each member’s” and  
13 inserting “each insured depository institu-  
14 tion’s”; and

15           (iv) by striking “the member’s” and  
16 inserting “the institution’s”.

17           (15) Section 13(c) of the Federal Deposit In-  
18 surance Act (12 U.S.C. 1823(c)) is amended by  
19 striking paragraph (11).

20           (16) Section 13(h) of the Federal Deposit In-  
21 surance Act (12 U.S.C. 1823(h)) is amended by  
22 striking “Bank Insurance Fund” and inserting “de-  
23 posit insurance fund”.

24           (17) Section 13(k)(4)(B)(i) of the Federal De-  
25 posit Insurance Act (12 U.S.C. 1823(k)(4)(B)(i)) is

1 amended by striking “Savings Association Insurance  
2 Fund member” and inserting “savings association”.

3 (18) Section 13(k)(5)(A) of the Federal Deposit  
4 Insurance Act (12 U.S.C. 1823(k)(5)(A)) is amend-  
5 ed by striking “Savings Association Insurance Fund  
6 members” and inserting “savings associations”.

7 (19) Section 14(a) of the Federal Deposit In-  
8 surance Act (12 U.S.C. 1824(a)) is amended by  
9 striking “Bank Insurance Fund or the Savings As-  
10 sociation Insurance Fund” and inserting “depository  
11 institution fund”.

12 (20) Section 14(b) of the Federal Deposit In-  
13 surance Act (12 U.S.C. 1824(b)) is amended by  
14 striking “Bank Insurance Fund or Savings Associa-  
15 tion Insurance Fund” and inserting “deposit insur-  
16 ance fund”.

17 (21) Section 14(c) of the Federal Deposit In-  
18 surance Act (12 U.S.C. 1824(c)) is amended by  
19 striking paragraph (3).

20 (22) Section 14 of the Federal Deposit Insur-  
21 ance Act (12 U.S.C. 1824) is amended by striking  
22 subsection (d).

23 (23) Section 15(c)(5) of the Federal Deposit  
24 Insurance Act (12 U.S.C. 1825(c)(5)) is amended—

1 (A) by striking “Bank Insurance Fund or  
2 Savings Association Insurance Fund, respec-  
3 tively,” and inserting “deposit insurance fund”;

4 (B) by striking “Bank Insurance Fund or  
5 Savings Association Insurance Fund, respec-  
6 tively;” and inserting “deposit insurance fund;”;  
7 and

8 (C) by striking “Bank Insurance Fund or  
9 the Savings Association Insurance Fund, re-  
10 spectively,” and inserting “deposit insurance  
11 fund.”.

12 (24) Section 17(a)(1) of the Federal Deposit  
13 Insurance Act (12 U.S.C. 1827(a)(1)) is amended  
14 by striking “Bank Insurance Fund, the Savings As-  
15 sociation Insurance Fund,” each place such term ap-  
16 pears and inserting “deposit insurance fund”.

17 (25) Section 17(d) of the Federal Deposit In-  
18 surance Act (12 U.S.C. 1827(d)) is amended by  
19 striking “Bank Insurance Fund, the Savings Asso-  
20 ciation Insurance Fund,” each place such term ap-  
21 pears and inserting “deposit insurance fund”.

22 (26) The heading for section 17(a) of the Fed-  
23 eral Deposit Insurance Act (12 U.S.C. 1827(a)) is  
24 amended by striking “BIF, SAIF,” and inserting  
25 “THE DEPOSIT INSURANCE FUND”.

1           (27) Section 18(m)(3) of the Federal Deposit  
2 Insurance Act (12 U.S.C. 1828(m)(3)) is amend-  
3 ed—

4           (A) in subparagraph (A)—

5           (i) by striking “Savings Association  
6 Insurance Fund.” and inserting “deposit  
7 insurance fund.”; and

8           (ii) by striking “Savings Association  
9 Insurance Fund member” and inserting  
10 “savings association”; and

11          (B) in subparagraph (C), by striking “Sav-  
12 ings Association Insurance Fund or the Bank  
13 Insurance Fund” and inserting “deposit insur-  
14 ance fund”.

15          (28) Subsections (a)(1) and (d)(1)(A) of section  
16 24 of the Federal Deposit Insurance Act (12 U.S.C.  
17 1831a) are each amended by striking “appropriate”.

18          (29) Section 24(e)(2) of the Federal Deposit  
19 Insurance Act (12 U.S.C. 1831a(e)(2)) is amend-  
20 ed—

21          (A) in subparagraph (A), by striking “of  
22 which such banks are members”; and

23          (B) in subparagraph (B)(ii), by striking  
24 “of which such bank is a member”.

1           (30) Section 24(f)(6)(B) of the Federal Deposit  
2 Insurance Act (12 U.S.C. 1831a(f)(6)(B)) is amend-  
3 ed by striking “of which such bank is a member”.

4           (31) Section 28 of the Federal Deposit Insur-  
5 ance Act (12 U.S.C. 1831e) is amended by striking  
6 “affected deposit insurance fund” each place such  
7 term appears and inserting “deposit insurance  
8 fund”.

9           (32) Section 31(a) of the Federal Deposit In-  
10 surance Act (12 U.S.C. 1831h(a)) is amended by  
11 striking “Insurance Fund”.

12           (33) The heading for section 31 of the Federal  
13 Deposit Insurance Act (12 U.S.C. 1831h) is amend-  
14 ed by striking “**INSURANCE FUND**”.

15           (34) Section 31(b)(1) of the Federal Deposit  
16 Insurance Act (12 U.S.C. 1831h(b)(1)) is amended  
17 by striking “insured depository institutions that are  
18 Savings Association Insurance Fund members” and  
19 inserting “savings associations”.

20           (35) Section 31(f)(1) of the Federal Deposit In-  
21 surance Act (12 U.S.C. 1831h(f)(1)) is amended by  
22 striking “insured financial institutions that are  
23 members of the Savings Association Insurance  
24 Fund” and inserting “savings associations”.



1           (3) SECRETARY.—The term “Secretary” means  
2           the Secretary of the Treasury.

3 **SEC. 202. ADMINISTRATOR OF THE FEDERAL BANK**  
4           **AGENCY.**

5           (a) IN GENERAL.—The Agency shall have an Admin-  
6           istrator who shall be the head of the Agency.

7           (b) APPOINTMENT.—The Administrator shall be ap-  
8           pointed by the President, by and with the advice and con-  
9           sent of the Senate, from among individuals who are  
10          citizens of the United States.

11          (c) TERM.—The Administrator shall be appointed for  
12          a term of 5 years.

13          (d) VACANCY.—A vacancy in the position of Adminis-  
14          trator which occurs before expiration of the term for which  
15          an Administrator was appointed shall be filled in the man-  
16          ner established in subsection (b), and the Administrator  
17          appointed to fill such vacancy shall be appointed only for  
18          the remainder of said term.

19          (e) SERVICE AFTER END OF TERM.—An individual  
20          may serve as Administrator after the expiration of the  
21          term for which appointed until a successor Administrator  
22          has been appointed.

23          (f) DEPUTY ADMINISTRATORS.—

24                  (1) DEPUTY ADMINISTRATOR FOR NATIONAL  
25          BANKS.—

1 (A) IN GENERAL.—The Agency shall have  
2 a Deputy Administrator for National Banks  
3 who shall be appointed by the President, by and  
4 with the advice and consent of the Senate.

5 (B) DUTIES AND POWERS.—The Deputy  
6 Administrator for National Banks shall—

7 (i) perform such duties and exercise  
8 such powers as the Administrator may pre-  
9 scribe; and

10 (ii) perform the functions which are  
11 transferred to the agency from the Comp-  
12 troller of the Currency until the Adminis-  
13 trator provides otherwise.

14 (2) DEPUTY ADMINISTRATOR FOR SAVINGS AS-  
15 SOCIATIONS.—

16 (A) IN GENERAL.—The Agency shall have  
17 a Deputy Administrator for Savings Associa-  
18 tions who shall be appointed by the President,  
19 by and with the advice and consent of the Sen-  
20 ate.

21 (B) DUTIES AND POWERS.—The Deputy  
22 Administrator for Savings Associations shall—

23 (i) perform such duties and exercise  
24 such powers as the Administrator may pre-  
25 scribe; and

1                   (ii) perform the functions which are  
2                   transferred to the agency from the Direc-  
3                   tor of the Office of Thrift Supervision until  
4                   the Administrator provides otherwise.

5           (g) EFFECTIVE DATE.—This section shall take effect  
6 on January 1, 1996.

7 **SEC. 203. AUTHORITY OF THE ADMINISTRATOR.**

8           (a) DELEGATION OF AUTHORITY.—The Adminis-  
9 trator may delegate to any employee, representative, or  
10 agent of the Agency any authority of the Administrator.

11           (b) EFFECTIVE DATE.—This section shall take effect  
12 on January 1, 1996.

13 **SEC. 204. PERSONNEL.**

14           (a) IN GENERAL.—The Administrator shall fix the  
15 number and compensation of, and appoint and direct, all  
16 employees of the Agency.

17           (b) EFFECTIVE DATE.—This section shall take effect  
18 on January 1, 1997.

19 **SEC. 205. REGULATIONS AND ORDERS.**

20           The Administrator may prescribe such regulations  
21 and issue such orders as the Administrator may determine  
22 to be necessary or appropriate for carrying out any law  
23 within the Administrator's jurisdiction.

1 **SEC. 206. FUNDING.**

2 (a) AUTHORITY TO IMPOSE AND COLLECT ASSESS-  
3 MENTS, FEES, AND OTHER CHARGES.—

4 (1) IN GENERAL.—The Administrator may im-  
5 pose and collect such assessments, fees, and other  
6 charges on any institution or entity (including any  
7 affiliates of any such institution or entity) for which  
8 the Administrator is the appropriate Federal bank-  
9 ing agency, as defined in section 3(q)(1) of the Fed-  
10 eral Deposit Insurance Act, as the Administrator de-  
11 termines to be necessary or appropriate to carry out  
12 the responsibilities of the Agency.

13 (2) NO NET COST TO GOVERNMENT.—The  
14 amount of any assessment, fee, or other charge shall  
15 be not less than the amount necessary to meet the  
16 full cost to the Federal Government of the service  
17 provided by the Agency.

18 (b) USE OF FUNDS.—The Administrator may use the  
19 funds obtained through assessments, fees, and other  
20 charges imposed pursuant to this subtitle to pay the full  
21 cost to the Federal Government of the services provided  
22 by the Agency.

23 (c) AGENCY NOT SUBJECT TO APPORTIONMENT OF  
24 FUNDS.—Notwithstanding any other provision of law,  
25 amounts received by the Agency pursuant to any assess-  
26 ment, fee, or other charge imposed under this Act or any

1 other provision of law and any other money received by  
2 the Agency shall not be subject to apportionment for the  
3 purpose of chapter 15 of title 31, United States Code, or  
4 under any other authority.

5 (d) TECHNICAL AND CONFORMING AMENDMENT RE-  
6 LATING TO SEQUESTRATION.—Paragraph (1) of section  
7 255(g) of the Balanced Budget and Emergency Deficit  
8 Control Act of 1985 is amended—

9 (1) by striking the items relating to the Comp-  
10 troller of the Currency and the Director of the Of-  
11 fice of Thrift Supervision; and

12 (2) by inserting after the item relating to  
13 the Farm Credit System Financial Assistance Cor-  
14 poration, interest payment (20-1850-0-1-351) the  
15 following new item:

16 “Federal Bank Agency;”.

17 (e) EFFECTIVE DATE.—This section and the amend-  
18 ments made by this section shall take effect on Jan-  
19 uary 1, 1997.

1 **Subtitle B—Interim Provisions;**  
2 **Transfer of Functions, Person-**  
3 **nel, and Property**

4 **SEC. 211. INTERIM PROVISIONS FOR THE FEDERAL BANK**  
5 **AGENCY.**

6 (a) INTERIM AUTHORITY OF THE ADMINISTRATOR.—  
7 Prior to the date upon which the functions of the Office  
8 of the Comptroller of the Currency and the Office of  
9 Thrift Supervision are transferred to the Administrator  
10 pursuant to this Act, the Administrator shall—

11 (1) consult and cooperate with the Director of  
12 the Office of Thrift Supervision and the Comptroller  
13 of the Currency to facilitate the orderly transfer of  
14 functions to the Office; and

15 (2) take such actions as may be necessary to  
16 provide for the establishment of the Agency and for  
17 the orderly implementation of this subtitle.

18 (b) INTERIM STAFF.—Prior to the date upon which  
19 the Office of the Comptroller of the Currency and the Of-  
20 fice of Thrift Supervision are abolished, each such Office  
21 shall detail to the Agency such personnel as the Adminis-  
22 trator deems appropriate to assist the Administrator in  
23 carrying out the duties of subtitle A.

24 (c) INTERIM ADMINISTRATIVE SERVICES.—The Sec-  
25 retary may provide all administrative services necessary

1 to support the Agency prior to the date upon which the  
2 Office of the Comptroller of the Currency and the Office  
3 of Thrift Supervision are abolished, and obtain reimburse-  
4 ment for the cost of such services pursuant to subsection  
5 (d).

6 (d) INTERIM FUNDING.—Prior to the date upon  
7 which the Office of the Comptroller of the Currency and  
8 the Office of Thrift Supervision are abolished, each such  
9 Office shall pay to the Secretary one-half of the total  
10 amount determined by the Secretary to be necessary to  
11 fund all direct and indirect salary and administrative ex-  
12 penses of the Agency, including the salary of the Adminis-  
13 trator, through January 1, 1997, from the funds obtained  
14 by such Offices through assessments, fees, and other  
15 charges which they are authorized to impose by law. The  
16 Secretary may credit to an appropriation and spend  
17 amounts received pursuant to this subsection. Upon the  
18 appointment of the Administrator, the amounts paid to  
19 the Secretary under this subsection shall be paid by the  
20 Secretary to the Administrator.

21 (e) INTERIM AUTHORITY OF THE SECRETARY.—The  
22 Secretary is authorized to perform the functions of the  
23 Administrator under this section until the Administrator  
24 is appointed.

1 (f) MERGER OF TRANSFERRED EMPLOYEES.—The  
2 Administrator shall, to the maximum extent practicable,  
3 merge and consolidate the work force structures of the Of-  
4 fice of the Comptroller of the Currency and the Office of  
5 Thrift Supervision. In merging the work forces, the Ad-  
6 ministrator shall establish procedures which take into ac-  
7 count the job experience of, and the compensation and  
8 benefits provided to, the transferred employees at the  
9 prior agency.

10 (g) EFFECTIVE DATE.—This section shall take effect  
11 on January 1, 1996.

12 **SEC. 212. OFFICE OF THRIFT SUPERVISION ABOLISHED.**

13 (a) OFFICE OF THRIFT SUPERVISION ABOLISHED.—  
14 Effective January 1, 1997, the Office of Thrift Super-  
15 vision and the position of Director of the Office of Thrift  
16 Supervision are hereby abolished.

17 (b) DISPOSITION OF AFFAIRS.—

18 (1) IN GENERAL.—In winding up the affairs of  
19 the Office of Thrift Supervision, the Director of the  
20 Office of Thrift Supervision shall consult and co-  
21 operate with the Administrator of the Agency, the  
22 Comptroller of the Currency, and, with respect to  
23 savings and loan holding companies, the Board of  
24 Governors of the Federal Reserve System to facili-  
25 tate the orderly transfer of the functions to the

1 Agency or such Board. Any matter not resolved pur-  
2 suant to such consultation and cooperation shall be  
3 resolved by the Secretary.

4 (2) CONTINUING AUTHORITY OF DIRECTOR OF  
5 THE OFFICE OF THRIFT SUPERVISION.—Except as  
6 provided in paragraph (1) and section 211, no provi-  
7 sion of this subtitle shall be construed as affecting  
8 the authority vested in the Director of the Office of  
9 Thrift Supervision before the date of enactment of  
10 this Act which is necessary to carry out the duties  
11 of the position until the date upon which the posi-  
12 tion of Director of the Office of Thrift Supervision  
13 is abolished.

14 (3) CONTINUATION OF AGENCY SERVICES.—  
15 Any agency, department, or other instrumentality of  
16 the United States, or any successor to any such  
17 agency, department, or instrumentality, which was  
18 providing support services to the Office of Thrift Su-  
19 pervision on the day before the date the Office of  
20 Thrift Supervision is abolished shall—

21 (A) continue to provide such services on a  
22 reimbursable basis, in accordance with the  
23 terms of the arrangement pursuant to which  
24 such services were provided until the arrange-  
25 ment is modified or terminated in accordance

1 with such terms, except that effective Jan-  
2 uary 1, 1997, the Agency shall be substituted  
3 for the Office of Thrift Supervision as a party  
4 to the arrangement; and

5 (B) consult with the Administrator to co-  
6 ordinate and facilitate a prompt and reasonable  
7 transition.

8 (c) SAVINGS PROVISIONS.—

9 (1) EXISTING RIGHTS, DUTIES, AND OBLIGA-  
10 TIONS NOT AFFECTED.—No provision of this subtitle  
11 shall be construed as affecting the validity of any  
12 right, duty, or obligation of the United States, the  
13 Office of Thrift Supervision, or any person, which  
14 existed on the day before the date upon which the  
15 Office of Thrift Supervision is abolished.

16 (2) CONTINUATION OF SUITS.—No action or  
17 other proceeding commenced by or against the Office  
18 of Thrift Supervision shall abate by reason of enact-  
19 ment of this Act, except that, effective January 1,  
20 1997, the Administrator shall be substituted as a  
21 party to any such action or proceeding.

22 (3) CONTINUATION OF ADMINISTRATIVE  
23 RULES.—All orders, resolutions, determinations, reg-  
24 ulations, interpretative rules, other interpretations,

1 guidelines, procedures, and other advisory material  
2 which—

3 (A) have been issued, made, prescribed, or  
4 permitted to become effective by the Office of  
5 Thrift Supervision, and

6 (B) are in effect on December 31, 1996,  
7 (or become effective after such date pursuant to  
8 the terms of the order, resolution, determina-  
9 tion, rule, other interpretation, guideline, proce-  
10 dure, and other advisory material, as in effect  
11 on such date), shall—

12 (i) continue in effect according to the  
13 terms of such orders, resolutions, deter-  
14 minations, regulations, interpretative rules,  
15 other interpretations, guidelines, proce-  
16 dures, or other advisory material;

17 (ii) be administered by the Adminis-  
18 trator or, in the case of a savings and loan  
19 holding company or a subsidiary of such  
20 holding company (other than a depository  
21 institution), the Board of Governors of the  
22 Federal Reserve System; and

23 (iii) be enforceable by or against the  
24 Administrator or such Board until modi-  
25 fied, terminated, set aside, or superseded



1 in paragraph (1) and section 211, no provision of  
2 this Act shall be construed as affecting the authority  
3 vested in the Comptroller of the Currency before the  
4 date of enactment of this Act which is necessary to  
5 carry out the duties of the position until the date  
6 upon which the position of Comptroller is abol-  
7 ished.

8 (3) CONTINUATION OF AGENCY SERVICES.—

9 Any agency, department, or other instrumentality of  
10 the United States, or any successor to any such  
11 agency, department, or instrumentality, which was  
12 providing support services to the Office of the Comp-  
13 troller of the Currency on the day before the date  
14 the Office of the Comptroller of the Currency is  
15 abolished shall—

16 (A) continue to provide such services, on a  
17 reimbursable basis, in accordance with the  
18 terms of the arrangement pursuant to which  
19 such services were provided until the arrange-  
20 ment is modified or terminated in accordance  
21 with such terms, except that effective Jan-  
22 uary 1, 1997, the Agency shall be substituted  
23 for the Office of the Comptroller of the Cur-  
24 rency as a party to the arrangement; and

1 (B) consult with the Administrator to co-  
2 ordinate and facilitate a prompt and reasonable  
3 transition.

4 (c) SAVINGS PROVISIONS.—

5 (1) EXISTING RIGHTS, DUTIES, AND OBLIGA-  
6 TIONS NOT AFFECTED.—No provision of this subtitle  
7 shall be construed as affecting the validity of any  
8 right, duty, or obligation of the United States, the  
9 Office of the Comptroller of the Currency, or any  
10 person, which existed on the day before the date  
11 upon which the Office of the Comptroller of the Cur-  
12 rency is abolished by this subtitle.

13 (2) CONTINUATION OF SUITS.—No action or  
14 other proceeding commenced by or against the  
15 Comptroller of the Currency or the Office of the  
16 Comptroller of the Currency shall abate by reason of  
17 enactment of this Act, except that effective Jan-  
18 uary 1, 1997, the Administrator shall be substituted  
19 as a party to any such action or proceeding.

20 (3) CONTINUATION OF ADMINISTRATIVE  
21 RULES.—All orders, resolutions, determinations, reg-  
22 ulations, interpretative rules, other interpretations,  
23 guidelines, procedures, and other advisory material  
24 which—

1 (A) have been issued, made, prescribed, or  
2 permitted to become effective by the Comptrol-  
3 ler of the Currency; and

4 (B) are in effect on December 31, 1996,  
5 (or become effective after such date pursuant to  
6 the terms of the order, resolution, determina-  
7 tion, rule, other interpretation, guideline, proce-  
8 dure, and other advisory material, as in effect  
9 on such date) shall—

10 (i) continue in effect according to the  
11 terms of such orders, resolutions, deter-  
12 minations, regulations, interpretative rules,  
13 guidelines, procedures or other advisory  
14 material;

15 (ii) be administered by the Adminis-  
16 trator; and

17 (iii) be enforceable by or against the  
18 Administrator until modified, terminated,  
19 set aside, or superseded in accordance with  
20 applicable law by the Administrator, by  
21 any court of competent jurisdiction, or by  
22 operation of law.

23 (d) TRANSFER OF PROPERTY.—Effective January 1,  
24 1997, all property of the Office of the Comptroller of the  
25 Currency shall be transferred to the Agency.

1 **SEC. 214. REFERENCES IN FEDERAL LAW TO FEDERAL**  
2 **BANKING AGENCIES.**

3 Any reference in any Federal law to the Comptroller  
4 of the Currency, the Office of the Comptroller of the Cur-  
5 rency, the Director of the Office of Thrift Supervision, or  
6 the Office of Thrift Supervision shall be deemed to be a  
7 reference to the appropriate Federal banking agency (as  
8 defined in section 3(q) of the Federal Deposit Insurance  
9 Act).

10 **Subtitle C—Regulatory and**  
11 **Supervisory Responsibility**

12 **SEC. 221. TRANSFER OF POWERS AND DUTIES.**

13 (a) DIRECTOR OF THE OFFICE OF THRIFT SUPER-  
14 VISION.—Effective January 1, 1997, all powers and duties  
15 which were vested in the Director of the Office of Thrift  
16 Supervision on December 31, 1996, are transferred to the  
17 Administrator, except as otherwise provided in this Act.

18 (b) COMPTROLLER OF THE CURRENCY.—Effective  
19 January 1, 1997, all powers and duties which were vested  
20 in the Comptroller of the Currency on December 31, 1996,  
21 are transferred to the Administrator, except as otherwise  
22 provided in this Act.

1 **SEC. 222. TRANSFER OF REGULATION OF SAVINGS AND**  
2 **LOAN HOLDING COMPANIES TO FEDERAL RE-**  
3 **SERVE BOARD.**

4 The Bank Holding Company Act of 1956 (12 U.S.C.  
5 1441 et seq.) is amended—

6 (1) by redesignating sections 11 and 12 as sec-  
7 tions 13 and 14, respectively; and

8 (2) by transferring section 10 of the Home  
9 Owners' Loan Act from such Act and inserting such  
10 section after section 10 of the Bank Holding Com-  
11 pany Act of 1956;

12 (3) by redesignating the section transferred and  
13 inserted after section 10 by paragraph (2) of this  
14 section as section 11; and

15 (4) by striking "Director" each place such term  
16 appears in section 11 (as so redesignated by para-  
17 graph (3) of this section) and inserting "Board".

18 **SEC. 223. APPROPRIATE FEDERAL BANKING AGENCY.**

19 (a) IN GENERAL.—Effective January 1, 1997, sec-  
20 tion 3(q) of the Federal Deposit Insurance Act (12 U.S.C.  
21 1813(q)) is amended to read as follows:

22 "(q) APPROPRIATE FEDERAL BANKING AGENCY.—  
23 The term 'appropriate Federal banking agency' means—

24 "(1) the Administrator of the Federal Bank  
25 Agency in the case of any national banking associa-

1       tion, any savings association, any District bank, or  
2       any Federal branch or agency of a foreign bank;

3           (2) the Board of Governors of the Federal Re-  
4       serve System, in the case of—

5           (A) any State member insured bank (ex-  
6       cept a District bank),

7           (B) any branch or agency of a foreign  
8       bank with respect to any provision of the Fed-  
9       eral Reserve Act which is made applicable  
10      under the International Banking Act of 1978,

11          (C) any foreign bank which does not oper-  
12      ate an insured branch,

13          (D) any agency or commercial lending  
14      company other than a Federal agency,

15          (E) supervisory or regulatory proceedings  
16      arising from the authority given to the Board  
17      of Governors under section 7(c)(1) of the Inter-  
18      national Banking Act of 1978, including such  
19      proceedings under the Financial Institutions  
20      Supervisory Act of 1966, and

21          (F) any depository institution holding com-  
22      pany and any subsidiary of a depository institu-  
23      tion holding company (other than a depository  
24      institution); and

1           (3) the Federal Deposit Insurance Corporation  
2           in the case of a State nonmember insured bank (ex-  
3           cept a District bank), or a foreign bank having an  
4           insured branch.

5 Under the rule set forth in this subsection, more than one  
6 agency may be an appropriate Federal banking agency  
7 with respect to any given institution.”.

8           (b) RESPONSIBLE AGENCY.—Section 18(c)(2) of the  
9 Federal Deposit Insurance Act (12 U.S.C. 1828(c)(2)) is  
10 amended—

11           (1) in subparagraph (A)—

12                   (A) by striking “Comptroller of the Cur-  
13                   rency” and inserting “Federal Banking Agen-  
14                   cy”;

15                   (B) by striking “resulting bank” and in-  
16                   serting “resulting institution”; and

17                   (C) by striking “or a District bank” and  
18                   inserting “District bank, or savings associa-  
19                   tion”;

20           (2) by inserting “and” after the semicolon at  
21 the end of subparagraph (B);

22           (3) by striking “; and” at the end of subpara-  
23 graph (C) and inserting a period; and

24           (4) by striking subparagraph (D).

1           **Subtitle D—Reorganization of**  
2           **FDIC Board of Directors**

3   **SEC. 241. FEDERAL DEPOSIT INSURANCE CORPORATION.**

4           (a) REORGANIZATION.—Section 2(a) of the Federal  
5 Deposit Insurance Act (12 U.S.C. 1812) is amended to  
6 read as follows:

7           “(a) BOARD OF DIRECTORS.—

8                 “(1) IN GENERAL.—The management of the  
9 Corporation shall be vested in a Board of Directors  
10 consisting of 3 members appointed by the President,  
11 by and with the advice and consent of the Senate,  
12 from among individuals who are citizens of the Unit-  
13 ed States.

14                 “(2) POLITICAL AFFILIATION.—Not more than  
15 2 of the members of the Board of Directors may be  
16 members of the same political party.

17           **TITLE III—MERGER OF BANK**  
18           **AND THRIFT CHARTERS**

19   **SEC. 301. TREASURY STUDY ON MERGER OF CHARTERS.**

20           (a) STUDY REQUIRED.—Before the end of the 12-  
21 month period beginning on the date of the enactment of  
22 this Act, the Secretary of the Treasury shall—

23                 (1) conduct a study on—

1 (A) the consolidation of national bank and  
2 savings association charters into a unified char-  
3 ter for depository institutions; and

4 (B) the most feasible means for the con-  
5 version of national banks and savings associa-  
6 tions into depository institutions with a unified  
7 charter; and

8 (2) identify any difficulties or problems which  
9 may arise in connection with such conversions.

10 (b) FACTORS TO BE CONSIDERED.—In conducting  
11 the study under subsection (a) with respect to the conver-  
12 sion of national banks and savings associations into depos-  
13 itory institutions with a unified charter, the Secretary  
14 shall consider and make recommendations with respect to  
15 the following issues:

16 (1) The tax consequences of any such conver-  
17 sion.

18 (2) Membership in Federal home loan banks.

19 (3) The regulation of holding companies.

20 (4) The continuation of the mutual form of  
21 ownership of depository institutions following any  
22 conversion to a unified charter.

23 (5) Any other issue with respect to such conver-  
24 sions which the Secretary considers appropriate, es-

1       pecially any issue relating to any adverse or unan-  
2       ticipated consequence of any such conversion.

3       (c) REPORT TO CONGRESS.—

4           (1) REPORT REQUIRED.—Before the end of the  
5       12-month period described in subsection (a), the  
6       Secretary of the Treasury shall submit a report to  
7       the Congress on the findings and conclusions of the  
8       Secretary with respect to the study conducted in ac-  
9       cordance with subsection (a).

10          (2) CONTENTS.—The report submitted to the  
11       Congress pursuant to paragraph (1) shall contain  
12       such recommendations for legislative or administra-  
13       tive action as the Secretary of the Treasury may de-  
14       termine to be appropriate.

15          (3) LEGISLATIVE RECOMMENDATIONS.—Any  
16       legislative recommendation included in the report  
17       under paragraph (2) shall be accompanied by draft  
18       legislative language which, if enacted by the Con-  
19       gress, would carry out such recommendation.

20       **SEC. 302. CONVERSION OF SAVINGS ASSOCIATIONS TO**  
21                               **BANKS AFTER MERGER OF BIF AND SAIF.**

22          (a) IN GENERAL.—Before the end of the 12-month  
23       period beginning on the date of publication in the Federal  
24       Register of the notice of the merger of the Bank Insurance  
25       Fund and the Savings Association Insurance Fund into

1 1 deposit insurance fund under section 104(a), each Fed-  
2 eral savings association shall surrender the saving associa-  
3 tion charter of such association and obtain a bank charter  
4 in accordance with applicable law.

5 (b) TERMINATION OF DEPOSIT INSURANCE OF SAV-  
6 INGS ASSOCIATIONS.—Section 8(a) of the Federal Deposit  
7 Insurance Act (12 U.S.C. 1818(a)) is amended by adding  
8 at the end the following new paragraph:

9 “(11) TERMINATION OF INSURANCE OF SAV-  
10 INGS ASSOCIATION.—Before the end of the 12-month  
11 period beginning on the date of publication in the  
12 Federal Register of the notice of the merger of the  
13 Bank Insurance Fund and the Savings Association  
14 Insurance Fund into 1 deposit insurance fund under  
15 section 104(a) of the Federal Deposit Insurance  
16 Amendments Act of 1995, the Corporation shall ter-  
17minate, in accordance with this subsection, the in-  
18sured status of any insured depository institution  
19 which is not a bank.”.

20 (c) REPEAL OF HOME OWNERS’ LOAN ACT.—Effec-  
21 tive as of the end of the 12-month period described in sub-  
22 section (a), the Home Owners’ Loan Act (12 U.S.C. 1461  
23 et seq.) is hereby repealed.

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