

106TH CONGRESS
2^D SESSION

H. R. 4674

To amend the Federal Deposit Insurance Act to require periodic cost of living adjustments to the maximum amount of deposit insurance available under such Act to the extent such increase does not cause the reserve ratios of the deposit insurance funds to decline, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 15, 2000

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

A BILL

To amend the Federal Deposit Insurance Act to require periodic cost of living adjustments to the maximum amount of deposit insurance available under such Act to the extent such increase does not cause the reserve ratios of the deposit insurance funds to decline, 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 Adjustment and Protection Act”.

1 **SEC. 2. PERIODIC ADJUSTMENT TO MAXIMUM AMOUNT OF**
2 **DEPOSIT INSURANCE COVERAGE.**

3 (a) IN GENERAL.—Section 11(a)(1) of the Federal
4 Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended
5 by striking subparagraph (B) and inserting the following
6 new subparagraph:

7 “(B) NET AMOUNT OF INSURED DE-
8 POSIT.—

9 “(i) IN GENERAL.—Subject to clauses
10 (ii) and (iii), the net amount due to any
11 depositor at an insured depository institu-
12 tion shall not exceed \$100,000, as deter-
13 mined in accordance with subparagraphs
14 (C) and (D).

15 “(ii) INFLATION ADJUSTMENT.—As of
16 the 1st day of the 3-year period beginning
17 on January 1, 2001, and the 1st day of
18 each subsequent 3-year period, the max-
19 imum net amount due to any depositor at
20 an insured depository institution under
21 clause (i) shall be increased by the product
22 of—

23 “(I) the amount described in
24 clause (i); and

25 “(II) the cost of living adjust-
26 ment determined under section 1(f)(3)

1 of the Internal Revenue Code of 1986
2 at the beginning of each such 3-year
3 period, in accordance with clause (iv).

4 “(iii) SUFFICIENCY OF RESERVES.—
5 Notwithstanding clause (ii), if any increase
6 pursuant to clause (ii) in the maximum net
7 amount due to any depositor at an insured
8 depository institution under clause (i)
9 would cause the reserve ratio of any de-
10 posit insurance fund to decrease below the
11 reserve ratio of that fund as of the date of
12 the enactment of the Federal Deposit In-
13 surance Adjustment and Protection Act,
14 that portion of the increase under clause
15 (ii), with respect to deposits insured by
16 that fund, which would cause a decrease
17 below such reserve ratio shall not take ef-
18 fect until such time as the Corporation de-
19 termines that the reserve ratio of such de-
20 posit insurance fund is sufficient to allow
21 such increase to be effective without caus-
22 ing such result.

23 “(iv) RULE OF APPLICATION.—Sec-
24 tion 1(f)(3)(B) of the Internal Revenue
25 Code of 1986 shall be applied, for purposes

1 of clause (ii) of this subsection, by sub-
2 stituting ‘calendar year 1980’ for ‘calendar
3 year 1992’.

4 “(v) ROUNDING.—If the amount de-
5 termined under clause (ii) for any period is
6 not a multiple of \$1,000, the amount so
7 determined shall be rounded to the nearest
8 \$1,000.

9 “(vi) PUBLICATION.—Not later than
10 January 15 of the 1st year of each 3-year
11 period referred to in clause (ii), the Board
12 of Directors shall publish in the Federal
13 Register the maximum net amount which
14 may be due to any depositor at an insured
15 depository institution during such 3-year
16 period.”.

17 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

18 (1) Paragraphs (2)(A) and (3)(A) of section
19 11(a) of the Federal Deposit Insurance Act (12
20 U.S.C. 1821(a)) are each amended by striking
21 “\$100,000” and inserting “the amount determined
22 under paragraph (1)(B)”.

23 (2) Paragraph (6) of section 11(m) of the Fed-
24 eral Deposit Insurance Act (12 U.S.C. 1821(m)) is

1 amended by striking “\$100,000” and inserting “the
2 amount determined under subsection (a)(1)(B)”.

3 (3) The following provisions of the Federal De-
4 posit Insurance Act are each amended by striking
5 “\$100,000” and inserting “the amount determined
6 under section 11(a)(1)(B)”.

7 (A) Paragraphs (1) and (3) of section 7(i)
8 (12 U.S.C. 1817(i)).

9 (B) Subsection (d) of section 43 (12
10 U.S.C. 1831t).

○