

106TH CONGRESS
2D SESSION

S. 2798

To amend the Federal Deposit Insurance Act to require periodic cost-of-living adjustments to the amount of deposit insurance coverage available under that Act.

IN THE SENATE OF THE UNITED STATES

JUNE 27, 2000

Mr. ALLARD introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To amend the Federal Deposit Insurance Act to require periodic cost-of-living adjustments to the amount of deposit insurance coverage available under that Act.

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 and Share In-
5 surance Adjustment Act of 2000”.

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

3 Section 11(a)(1) of the Federal Deposit Insurance
 4 Act (12 U.S.C. 1821(a)(1)) is amended, by striking sub-
 5 paragraph (B) and inserting the following:

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

8 “(i) IN GENERAL.—Subject to the ad-
 9 justments to be made pursuant to clause
 10 (ii), the net amount due to any depositor
 11 under this Act at an insured depository in-
 12 stitution shall not exceed \$100,000, as de-
 13 termined in accordance with this subpara-
 14 graph and subparagraphs (C) and (D).

15 “(ii) ADJUSTMENTS.—For the cal-
 16 endar year commencing January 1, 2001,
 17 and for each subsequent 3-year period, the
 18 maximum net amount due to any depositor
 19 at an insured depository institution under
 20 clause (i) shall be increased by an amount
 21 equal to—

22 “(I) \$100,000; multiplied by

23 “(II) the cost-of-living adjust-
 24 ment determined under section 1(f)(3)
 25 of the Internal Revenue Code of 1986,
 26 for such calendar year, determined by

1 substituting ‘calendar year 2000’ for
2 ‘calendar year 1992’ in subparagraph
3 (B) thereof.

4 “(iii) ROUNDING.—If the amount de-
5 termined under clause (ii) is not a multiple
6 of \$1,000, such amount shall be rounded
7 to the nearest multiple of \$1,000.

8 “(iv) NOTICE.—Not later than Janu-
9 ary 15 of the first year of each 3-year pe-
10 riod referred to in clause (ii), commencing
11 January 15, 2001, the Board of Directors
12 shall cause to be published in the Federal
13 Register the maximum net amount due to
14 any depositor at an insured depository in-
15 stitution for the ensuing 3-year period.”.

16 **SEC. 3. PERIODIC ADJUSTMENTS TO MAXIMUM AMOUNT OF**
17 **SHARE INSURANCE COVERAGE.**

18 Section 207(k)(1) of the Federal Credit Union Act
19 (12 U.S.C. 1787(k)(1)) is amended—

20 (1) by striking “(1) Subject” and inserting the
21 following: “INSURED AMOUNTS.—

22 “(1) DEFINITION OF ‘INSURED ACCOUNT’.—

23 “(A) IN GENERAL.—Subject”;

1 (2) by inserting “, subject to the adjustments
2 made pursuant to subparagraph (B)” after
3 “\$100,000”; and

4 (3) by adding at the end the following:

5 “(B) ADJUSTMENTS.—

6 “(i) IN GENERAL.—For the calendar
7 year commencing January 1, 2001, and for
8 each subsequent 3-year period, the
9 \$100,000 amount referred to in subpara-
10 graph (A) shall be increased by an amount
11 equal to—

12 “(I) \$100,000; multiplied by

13 “(II) the cost-of-living adjust-
14 ment determined under section 1(f)(3)
15 of the Internal Revenue Code of 1986,
16 for such calendar year, determined by
17 substituting ‘calendar year 2000’ for
18 ‘calendar year 1992’ in subparagraph
19 (B) thereof.

20 “(ii) ROUNDING.—If the amount de-
21 termined under clause (i) is not a multiple
22 of \$1,000, such amount shall be rounded
23 to the nearest multiple of \$1,000.

24 “(iii) NOTICE.—Not later than Janu-
25 ary 15 of the first year of each 3-year pe-

1 riod referred to in clause (ii), commencing
2 January 15, 2001, the Board shall cause
3 to be published in the Federal Register the
4 maximum net amount due with respect to
5 any member account at an insured credit
6 union for the ensuing 3-year period.”.

7 **SEC. 4. CONFORMING AMENDMENTS.**

8 (a) FEDERAL DEPOSIT INSURANCE ACT.—Section
9 11(a) of the Federal Deposit Insurance Act (12 U.S.C.
10 1821(a)) is amended—

11 (1) in paragraph (2)(A), in the matter following
12 clause (v), by striking “\$100,000 per account in an
13 amount not to exceed \$100,000 per account” and insert-
14 ing “the amount determined in accordance with paragraph
15 (1)(B) per account”; and

16 (2) in paragraph (3)(A)(iii), by striking
17 “\$100,000” and inserting “the amount determined
18 in accordance with paragraph (1)(B)”.

19 (b) FEDERAL CREDIT UNION ACT.—Section 207(k)
20 of the Federal Credit Union Act (12 U.S.C. 1787(k)) is
21 amended—

22 (1) in paragraph (2)(A), in the matter following
23 clause (v), by striking “in an amount not to exceed
24 \$100,000 per account” and inserting “the amount

1 determined in accordance with paragraph (1)(B) per
2 account”; and

3 (2) in paragraph (3), by striking “in the
4 amount of \$100,000 per account” and inserting “in
5 an amount not to exceed the amount determined in
6 accordance with paragraph (1)(B) per account”.

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