

110TH CONGRESS  
2D SESSION

# H. R. 7232

To reform the Federal Deposit Insurance System, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 2008

Mr. GOHMERT introduced the following bill; which was referred to the  
Committee on Financial Services

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## A BILL

To reform the Federal Deposit Insurance System, 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. INCREASE IN DEPOSIT INSURANCE COVERAGE.**

4 (a) IN GENERAL.—Section 11(a)(1) of the Federal  
5 Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amend-  
6 ed—

7 (1) by striking subparagraph (B) and inserting  
8 the following new subparagraph:

9 “(B) NET AMOUNT OF INSURED DE-  
10 POSIT.—The net amount due to any depositor  
11 at an insured depository institution shall not

1 exceed the standard maximum deposit insur-  
2 ance amount as determined in accordance with  
3 subparagraphs (C), (D), (E), and (F) and para-  
4 graph (3).”; and

5 (2) by adding at the end the following new sub-  
6 paragraphs:

7 “(E) STANDARD MAXIMUM DEPOSIT IN-  
8 SURANCE AMOUNT DEFINED.—For purposes of  
9 this Act—

10 “(i) the term ‘standard maximum de-  
11 posit insurance amount’ means—

12 “(I) until the effective date of  
13 final regulations prescribed pursuant  
14 to section 9(a)(2) of the Federal De-  
15 posit Insurance Reform Act of 2005,  
16 \$100,000; and

17 “(II) on and after such effective  
18 date, \$100,000 or \$500,000, at the  
19 option of the insured depository insti-  
20 tution, and \$250,000 or \$500,000 for  
21 eligible retirement accounts, at the op-  
22 tion of the insured depository institu-  
23 tion, adjusted as provided under sub-  
24 paragraph (F); and

1           “(ii) the term ‘eligible retirement  
2 plan’ has the same meaning as in section  
3 402(e)(8)(B) of the Internal Revenue Code  
4 of 1986.

5           “(F) INFLATION ADJUSTMENT.—

6           “(i) IN GENERAL.—By April 1 of  
7 2009, and the 1st day of each subsequent  
8 5-year period, the Board of Directors and  
9 the National Credit Union Administration  
10 Board shall jointly consider the factors set  
11 forth under clause (v), and, upon deter-  
12 mining that an inflation adjustment is ap-  
13 propriate, shall jointly prescribe the  
14 amount by which the standard maximum  
15 deposit insurance amount and the standard  
16 maximum share insurance amount (as de-  
17 fined in 207(k) of the Federal Credit  
18 Union Act) applicable to any depositor at  
19 an insured depository institution shall be  
20 increased by calculating the product of—

21           “(I) \$100,000 or \$500,000, at  
22 the option of the insured depository  
23 institution, and \$250,000 or \$500,000  
24 for eligible retirement accounts, at the

1 option of the insured depository insti-  
2 tution; and

3 “(II) the ratio of the published  
4 annual value of the Personal Con-  
5 sumption Expenditures Chain-Type  
6 Price Index (or any successor index  
7 thereto), published by the Department  
8 of Commerce, for the calendar year  
9 preceding the year in which the ad-  
10 justment is calculated under this  
11 clause, to the published annual value  
12 of such index as of the date this sub-  
13 paragraph takes effect. The values  
14 used in the calculation under sub-  
15 clause (II) shall be, as of the date of  
16 the calculation, the values most re-  
17 cently published by the Department of  
18 Commerce.

19 “(ii) ROUNDING.—If the amount de-  
20 termined under clause (ii) for any period is  
21 not a multiple of \$10,000, the amount so  
22 determined shall be rounded down to the  
23 nearest \$10,000.

24 “(iii) PUBLICATION AND REPORT TO  
25 THE CONGRESS.—Not later than April 5 of

1 any calendar year in which an adjustment  
2 is required to be calculated under clause (i)  
3 to the standard maximum deposit insur-  
4 ance amount and the standard maximum  
5 share insurance amount under such clause,  
6 the Board of Directors and the National  
7 Credit Union Administration Board  
8 shall—

9 “(I) publish in the Federal Reg-  
10 ister the standard maximum deposit  
11 insurance amount, the standard max-  
12 imum share insurance amount, and  
13 the amount of coverage under para-  
14 graph (3)(A) and section 207(k)(3) of  
15 the Federal Credit Union Act, as so  
16 calculated; and

17 “(II) jointly submit a report to  
18 the Congress containing the amounts  
19 described in subclause (I).

20 “(iv) 6-MONTH IMPLEMENTATION PE-  
21 RIOD.—Unless an Act of Congress enacted  
22 before July 1 of the calendar year in which  
23 an adjustment is required to be calculated  
24 under clause (i) provides otherwise, the in-  
25 crease in the standard maximum deposit

1 insurance amount and the standard max-  
2 imum share insurance amount shall take  
3 effect on January 1 of the year imme-  
4 diately succeeding such calendar year.”.

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