

104TH CONGRESS
2^D SESSION

H. J. RES. 175

Making further continuing appropriations for the fiscal year 1996, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 1996

Mr. LIVINGSTON introduced the following joint resolution; which was referred to the Committee on Appropriations, and in addition to the Committees on Banking and Financial Services, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

JOINT RESOLUTION

Making further continuing appropriations for the fiscal year 1996, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*

3 **TITLE I—CONTINUING APPROPRIATIONS**

4 SEC. 101. Public Law 104–99 is further amended by
5 striking out “April 24, 1996” in sections 106(c), 112,
6 126(c), 202(c), and 214 and inserting in lieu thereof
7 “April 25, 1996”; and that Public Law 104–92 is further

1 amended by striking out “April 24, 1996” in section
2 106(c) and inserting in lieu thereof “April 25, 1996”.

3 **TITLE II—DEPOSIT INSURANCE FUNDS**

4 **SEC. 201. SHORT TITLE.**

5 This title may be cited as the “Deposit Insurance
6 Funds Act of 1996”.

7 **SEC. 202. SPECIAL ASSESSMENT TO CAPITALIZE SAIF.**

8 (a) IN GENERAL.—Except as provided in subsections
9 (f) and (k), the Board of Directors shall impose a special
10 assessment on the SAIF-assessable deposits of each in-
11 sured depository institution at a rate applicable to all such
12 institutions that the Board of Directors, in its sole discre-
13 tion, determines (after taking into account the adjust-
14 ments described in subsections (g) through (j)) will cause
15 the Savings Association Insurance Fund to achieve the
16 designated reserve ratio on the first business day of the
17 1st month beginning after the date of the enactment of
18 this Act.

19 (b) FACTORS TO BE CONSIDERED.—In carrying out
20 subsection (a), the Board of Directors shall base its deter-
21 mination on—

22 (1) the monthly Savings Association Insurance
23 Fund balance most recently calculated;

24 (2) data on insured deposits reported in the
25 most recent reports of condition filed not later than

1 70 days before the date of enactment of this Act by
2 insured depository institutions; and

3 (3) any other factors that the Board of Direc-
4 tors deems appropriate.

5 (c) DATE OF DETERMINATION.—For purposes of
6 subsection (a), the amount of the SAIF-assessable depos-
7 its of an insured depository institution shall be determined
8 as of March 31, 1995.

9 (d) DATE PAYMENT DUE.—Except as provided in
10 subsection (g), the special assessment imposed under this
11 section shall be—

12 (1) due on the first business day of the 1st
13 month beginning after the date of the enactment of
14 this Act; and

15 (2) paid to the Corporation on the later of—

16 (A) the first business day of the 1st month
17 beginning after such date of enactment; or

18 (B) such other date as the Corporation
19 shall prescribe, but not later than 60 days after
20 the date of enactment of this Act.

21 (e) ASSESSMENT DEPOSITED IN SAIF.—Notwith-
22 standing any other provision of law, the proceeds of the
23 special assessment imposed under this section shall be de-
24 posited in the Savings Association Insurance Fund.

25 (f) EXEMPTIONS FOR CERTAIN INSTITUTIONS.—

1 (1) EXEMPTION FOR WEAK INSTITUTIONS.—
2 The Board of Directors may, by order, in its sole
3 discretion, exempt any insured depository institution
4 that the Board of Directors determines to be weak,
5 from paying the special assessment imposed under
6 this section if the Board of Directors determines
7 that the exemption would reduce risk to the Savings
8 Association Insurance Fund.

9 (2) GUIDELINES REQUIRED.—Not later than 30
10 days after the date of enactment of this Act, the
11 Board of Directors shall prescribe guidelines setting
12 forth the criteria that the Board of Directors will
13 use in exempting institutions under paragraph (1).
14 Such guidelines shall be published in the Federal
15 Register.

16 (3) EXEMPTION FOR CERTAIN NEWLY CHAR-
17 TERED AND OTHER DEFINED INSTITUTIONS.—

18 (A) IN GENERAL.—In addition to the insti-
19 tutions exempted from paying the special as-
20 sessment under paragraph (1), the Board of
21 Directors shall exempt any insured depository
22 institution from payment of the special assess-
23 ment if the institution—

1 (i) was in existence on October 1,
2 1995, and held no SAIF-assessable depos-
3 its prior to January 1, 1993;

4 (ii) is a Federal savings bank which—

5 (I) was established de novo in
6 April 1994 in order to acquire the de-
7 posits of a savings association which
8 was in default or in danger of default;
9 and

10 (II) received minority interim
11 capital assistance from the Resolution
12 Trust Corporation under section
13 21A(w) of the Federal Home Loan
14 Bank Act in connection with the ac-
15 quisition of any such savings associa-
16 tion; or

17 (iii) is a savings association, the de-
18 posits of which are insured by the Savings
19 Association Insurance Fund, which—

20 (I) prior to January 1, 1987, was
21 chartered as a Federal savings bank
22 insured by the Federal Savings and
23 Loan Insurance Corporation for the
24 purpose of acquiring all or substan-
25 tially all of the assets and assuming

1 all or substantially all of the deposit
2 liabilities of a national bank in a
3 transaction consummated after July
4 1, 1986; and

5 (II) as of the date of that trans-
6 action, had assets of less than
7 \$150,000,000.

8 (B) DEFINITION.—For purposes of this
9 paragraph, an institution shall be deemed to
10 have held SAIF-assessable deposits prior to
11 January 1, 1993, if—

12 (i) it directly held SAIF-assessable in-
13 sured deposits before that date; or

14 (ii) it succeeded to, acquired, pur-
15 chased, or otherwise holds any SAIF-as-
16 sessable deposits as of the date of enact-
17 ment of this Act that were SAIF-assess-
18 able deposits before January 1, 1993.

19 (4) EXEMPT INSTITUTIONS REQUIRED TO PAY
20 ASSESSMENTS AT FORMER RATES.—

21 (A) PAYMENTS TO SAIF AND DIF.—Any in-
22 sured depository institution that the Board of
23 Directors exempts under this subsection from
24 paying the special assessment imposed under
25 this section shall pay semiannual assessments—

1 (i) during calendar years 1996 and
2 1997, into the Savings Association Insur-
3 ance Fund, based on SAIF-assessable de-
4 posits of that institution, at assessment
5 rates calculated under the schedule in ef-
6 fect for Savings Association Insurance
7 Fund members on June 30, 1995; and

8 (ii) during calendar years 1998 and
9 1999—

10 (I) into the Deposit Insurance
11 Fund, based on SAIF-assessable de-
12 posits of that institution as of Decem-
13 ber 31, 1997, at assessment rates cal-
14 culated under the schedule in effect
15 for Savings Association Insurance
16 Fund members on June 30, 1995; or

17 (II) in accordance with clause (i),
18 if the Bank Insurance Fund and the
19 Savings Association Insurance Fund
20 are not merged into the Deposit In-
21 surance Fund.

22 (B) OPTIONAL PRO RATA PAYMENT OF
23 SPECIAL ASSESSMENT.—This paragraph shall
24 not apply with respect to any insured depository
25 institution (or successor insured depository in-

stitution) that has paid, during any calendar year from 1997 through 1999, upon such terms as the Corporation may announce, an amount equal to the product of—

(i) 12.5 percent of the special assessment that the institution would have been required to pay under subsection (a), if the Board of Directors had not exempted the institution; and

(ii) the number of full semiannual periods remaining between the date of the payment and December 31, 1999.

(g) SPECIAL ELECTION FOR CERTAIN INSTITUTIONS FACING HARDSHIP AS A RESULT OF THE SPECIAL ASSESSMENT.—

(1) ELECTION AUTHORIZED.—If—

(A) an insured depository institution, or any depository institution holding company which, directly or indirectly, controls such institution, is subject to terms or covenants in any debt obligation or preferred stock outstanding on September 13, 1995; and

(B) the payment of the special assessment under subsection (a) would pose a significant risk of causing such depository institution or

1 holding company to default or violate any such
2 term or covenant,
3 the depository institution may elect, with the ap-
4 proval of the Corporation, to pay such special as-
5 sessment in accordance with paragraphs (2) and (3)
6 in lieu of paying such assessment in the manner re-
7 quired under subsection (a).

8 (2) 1ST ASSESSMENT.—An insured depository
9 institution which makes an election under paragraph
10 (1) shall pay an assessment of 50 percent of the
11 amount of the special assessment that would other-
12 wise apply under subsection (a), by the date on
13 which such special assessment is payable under sub-
14 section (d).

15 (3) 2D ASSESSMENT.—An insured depository
16 institution which makes an election under paragraph
17 (1) shall pay a 2d assessment, by the date estab-
18 lished by the Board of Directors in accordance with
19 paragraph (4), in an amount equal to the product of
20 51 percent of the rate determined by the Board of
21 Directors under subsection (a) for determining the
22 amount of the special assessment and the SAIF-as-
23 sessable deposits of the institution on March 31,
24 1996, or such other date in calendar year 1996 as
25 the Board of Directors determines to be appropriate.

1 (4) DUE DATE OF 2D ASSESSMENT.—The date
2 established by the Board of Directors for the pay-
3 ment of the assessment under paragraph (3) by a
4 depository institution shall be the earliest practicable
5 date which the Board of Directors determines to be
6 appropriate, which is at least 15 days after the date
7 used by the Board of Directors under paragraph (3).

8 (5) SUPPLEMENTAL SPECIAL ASSESSMENT.—
9 An insured depository institution which makes an
10 election under paragraph (1) shall pay a supple-
11 mental special assessment, at the same time the pay-
12 ment under paragraph (3) is made, in an amount
13 equal to the product of—

14 (A) 50 percent of the rate determined by
15 the Board of Directors under subsection (a) for
16 determining the amount of the special assess-
17 ment; and

18 (B) 95 percent of the amount by which the
19 SAIF-assessable deposits used by the Board of
20 Directors for determining the amount of the 1st
21 assessment under paragraph (2) exceeds, if any,
22 the SAIF-assessable deposits used by the Board
23 for determining the amount of the 2d assess-
24 ment under paragraph (3).

1 (h) ADJUSTMENT OF SPECIAL ASSESSMENT FOR
2 CERTAIN BANK INSURANCE FUND MEMBER BANKS.—

3 (1) IN GENERAL.—For purposes of computing
4 the special assessment imposed under this section
5 with respect to a Bank Insurance Fund member
6 bank, the amount of any deposits of any insured de-
7 pository institution which section 5(d)(3) of the Fed-
8 eral Deposit Insurance Act treats as insured by the
9 Savings Association Insurance Fund shall be re-
10 duced by 20 percent—

11 (A) if the adjusted attributable deposit
12 amount of the Bank Insurance Fund member
13 bank is less than 50 percent of the total domes-
14 tic deposits of that member bank as of June 30,
15 1995; or

16 (B) if, as of June 30, 1995, the Bank In-
17 surance Fund member—

18 (i) had an adjusted attributable de-
19 posit amount equal to less than 75 percent
20 of the total assessable deposits of that
21 member bank;

22 (ii) had total assessable deposits
23 greater than \$5,000,000,000; and

24 (iii) was owned or controlled by a
25 bank holding company that owned or con-

1 trolled insured depository institutions hav-
2 ing an aggregate amount of deposits in-
3 sured or treated as insured by the Bank
4 Insurance Fund greater than the aggre-
5 gate amount of deposits insured or treated
6 as insured by the Savings Association In-
7 surance Fund.

8 (2) ADJUSTED ATTRIBUTABLE DEPOSIT
9 AMOUNT.—For purposes of this subsection, the “ad-
10 justed attributable deposit amount” shall be deter-
11 mined in accordance with section 5(d)(3)(C) of the
12 Federal Deposit Insurance Act.

13 (i) ADJUSTMENT TO THE ADJUSTED ATTRIBUTABLE
14 DEPOSIT AMOUNT FOR CERTAIN BANK INSURANCE FUND
15 MEMBER BANKS.—Section 5(d)(3) of the Federal Deposit
16 Insurance Act (12 U.S.C. 1815(d)(3)) is amended—

17 (1) in subparagraph (C), by striking “The ad-
18 justed attributable deposit amount” and inserting
19 “Except as provided in subparagraph (K), the ad-
20 justed attributable deposit amount”; and

21 (2) by adding at the end the following new sub-
22 paragraph:

23 “(K) ADJUSTMENT OF ADJUSTED ATTRIB-
24 UTABLE DEPOSIT AMOUNT.—The amount deter-
25 mined under subparagraph (C)(i) for deposits

1 acquired by March 31, 1995, shall be reduced
2 by 20 percent for purposes of computing the
3 adjusted attributable deposit amount for the
4 payment of any assessment for any semiannual
5 period that begins after the date of the enact-
6 ment of the Deposit Insurance Funds Act of
7 1996 (other than the special assessment im-
8 posed under section 202(a) of such Act), for a
9 Bank Insurance Fund member bank that, as of
10 June 30, 1995—

11 “(i) had an adjusted attributable de-
12 posit amount that was less than 50 percent
13 of the total deposits of that member bank;
14 or

15 “(ii)(I) had an adjusted attributable
16 deposit amount equal to less than 75 per-
17 cent of the total assessable deposits of that
18 member bank;

19 “(II) had total assessable deposits
20 greater than \$5,000,000,000; and

21 “(III) was owned or controlled by a
22 bank holding company that owned or con-
23 trolled insured depository institutions hav-
24 ing an aggregate amount of deposits in-
25 sured or treated as insured by the Bank

1 Insurance Fund greater than the aggre-
2 gate amount of deposits insured or treated
3 as insured by the Savings Association In-
4 surance Fund.”.

5 (j) ADJUSTMENT OF SPECIAL ASSESSMENT FOR
6 CERTAIN SAVINGS ASSOCIATIONS.—

7 (1) SPECIAL ASSESSMENT REDUCTION.—For
8 purposes of computing the special assessment im-
9 posed under this section, in the case of any con-
10 verted association, the amount of any deposits of
11 such association which were insured by the Savings
12 Association Insurance Fund as of March 31, 1995,
13 shall be reduced by 20 percent.

14 (2) CONVERTED ASSOCIATION.—For purposes
15 of this subsection, the term “converted association”
16 means—

17 (A) any Federal savings association—

18 (i) that is a member of the Savings
19 Association Insurance Fund and that has
20 deposits subject to assessment by that
21 fund which did not exceed \$4,000,000,000,
22 as of March 31, 1995; and

23 (ii) that had been, or is a successor by
24 merger, acquisition, or otherwise to an in-
25 stitution that had been, a State savings

1 bank, the deposits of which were insured
2 by the Federal Deposit Insurance Corpora-
3 tion prior to August 9, 1989, that con-
4 verted to a Federal savings association
5 pursuant to section 5(i) of the Home Own-
6 ers' Loan Act prior to January 1, 1985;

7 (B) a State depository institution that is a
8 member of the Savings Association Insurance
9 Fund that had been a State savings bank prior
10 to October 15, 1982, and was a Federal savings
11 association on August 9, 1989;

12 (C) an insured bank that—

13 (i) was established de novo in order to
14 acquire the deposits of a savings associa-
15 tion in default or in danger of default;

16 (ii) did not open for business before
17 acquiring the deposits of such savings as-
18 sociation; and

19 (iii) was a Savings Association Insur-
20 ance Fund member as of the date of enact-
21 ment of this Act; and

22 (D) an insured bank that—

23 (i) resulted from a savings association
24 before December 19, 1991, in accordance

1 with section 5(d)(2)(G) of the Federal De-
2 posit Insurance Act; and

3 (ii) had an increase in its capital in
4 conjunction with the conversion in an
5 amount equal to more than 75 percent of
6 the capital of the institution on the day be-
7 fore the date of the conversion.

8 (k) EXEMPTION FOR CERTAIN INSTITUTIONS PAYING
9 EXIT AND ENTRANCE FEES.—The Board of Directors of
10 the Federal Deposit Insurance Corporation may, in the
11 sole discretion of the Board of Directors, exempt any in-
12 sured depository institution from paying the special as-
13 sessment imposed under subsection (a) if—

14 (1) the institution participated in a conversion
15 transaction pursuant to section 5(d)(2)(C) of the
16 Federal Deposit Insurance Act during the period be-
17 ginning on March 31, 1995, and ending on the date
18 of the enactment of this Act;

19 (2) exit and entrance fees have been assessed in
20 connection with such conversion transaction in ac-
21 cordance with subparagraphs (E) and (F) of section
22 5(d)(2) of the Federal Deposit Insurance Act; and

23 (3) as of the date of the enactment of this Act,
24 the institution—

1 (A) has paid, in whole or in part, the
2 amount of such exit and entrance fees; and

3 (B) is obligated to pay the balance of any
4 unpaid portion of any such fee in accordance
5 with a schedule agreed to by such Corporation.

6 **SEC. 203. FINANCING CORPORATION ASSESSMENTS**
7 **SHARED PROPORTIONALLY BY ALL INSURED**
8 **DEPOSITORY INSTITUTIONS.**

9 (a) IN GENERAL.—Section 21 of the Federal Home
10 Loan Bank Act (12 U.S.C. 1441) is amended—

11 (1) in subsection (f)(2)—

12 (A) in the matter immediately preceding
13 subparagraph (A)—

14 (i) by striking “Savings Association
15 Insurance Fund member” and inserting
16 “insured depository institution”; and

17 (ii) by striking “members” and insert-
18 ing “institutions”; and

19 (B) by striking “, except that—” and all
20 that follows through the end of the paragraph
21 and inserting “, except that—

22 “(A) the Financing Corporation shall have
23 first priority to make the assessment; and

24 “(B) no limitation under clause (i) or (iii)
25 of section 7(b)(2)(A) of the Federal Deposit In-

1 insurance Act shall apply for purposes of this
2 paragraph.”; and

3 (2) in subsection (k)—

4 (A) by striking “section—” and inserting
5 “section, the following definitions shall apply:”;

6 (B) by striking paragraph (1);

7 (C) by redesignating paragraphs (2) and
8 (3) as paragraphs (1) and (2), respectively; and

9 (D) by adding at the end the following new
10 paragraph:

11 “(3) INSURED DEPOSITORY INSTITUTION.—The
12 term ‘insured depository institution’ has the same
13 meaning as in section 3 of the Federal Deposit In-
14 surance Act.”.

15 (b) CONFORMING AMENDMENT.—Section 7(b)(2) of
16 the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2))
17 is amended by striking subparagraph (D).

18 (c) EFFECTIVE DATE.—Subsections (a) and (b) and
19 the amendments made by such subsections shall apply
20 with respect to semiannual periods which begin after De-
21 cember 31, 1996.

22 (d) APPLICABILITY OF FICO ASSESSMENTS TO CER-
23 TAIN SAIF-ASSESSABLE DEPOSITS.—In the case of any
24 insured depository institution which has SAIF-assessable
25 deposits, such SAIF-assessable deposits shall be subject

1 to assessments under section 21(f)(2) of the Federal
2 Home Loan Bank Act as a Savings Association Insurance
3 Fund member (with respect to such deposits) during the
4 period beginning on the 1st day of the 1st quarter which
5 begins after the date of the enactment of this Act and
6 ending on December 31, 1996.

7 **SEC. 204. MERGER OF BIF AND SAIF.**

8 (a) IN GENERAL.—

9 (1) MERGER.—The Bank Insurance Fund and
10 the Savings Association Insurance Fund shall be
11 merged into the Deposit Insurance Fund established
12 by section 11(a)(4) of the Federal Deposit Insurance
13 Act, as amended by this section.

14 (2) DISPOSITION OF ASSETS AND LIABIL-
15 ITIES.—All assets and liabilities of the Bank Insur-
16 ance Fund and the Savings Association Insurance
17 Fund shall be transferred to the Deposit Insurance
18 Fund.

19 (3) NO SEPARATE EXISTENCE.—The separate
20 existence of the Bank Insurance Fund and the Sav-
21 ings Association Insurance Fund shall cease.

22 (b) SPECIAL RESERVE OF THE DEPOSIT INSURANCE
23 FUND.—

24 (1) IN GENERAL.—Immediately before the
25 merger of the Bank Insurance Fund and the Sav-

1 ings Association Insurance Fund, if the reserve ratio
2 of the Savings Association Insurance Fund exceeds
3 the designated reserve ratio, the amount by which
4 that reserve ratio exceeds the designated reserve
5 ratio shall be placed in the Special Reserve of the
6 Deposit Insurance Fund, established under section
7 11(a)(5) of the Federal Deposit Insurance Act, as
8 amended by this section.

9 (2) DEFINITION.—For purposes of this sub-
10 section, the term “reserve ratio” means the ratio of
11 the net worth of the Savings Association Insurance
12 Fund to the aggregate estimated amount of deposits
13 insured by the Savings Association Insurance Fund.

14 (c) EFFECTIVE DATE.—This section and the amend-
15 ments made by this section shall become effective on Janu-
16 ary 1, 1998, if no insured depository institution is a sav-
17 ings association on that date.

18 (d) TECHNICAL AND CONFORMING AMENDMENTS.—

19 (1) DEPOSIT INSURANCE FUND.—Section
20 11(a)(4) of the Federal Deposit Insurance Act (12
21 U.S.C. 1821(a)(4)) is amended—

22 (A) by redesignating subparagraph (B) as
23 subparagraph (C);

24 (B) by striking subparagraph (A) and in-
25 serting the following:

1 “(A) ESTABLISHMENT.—There is estab-
2 lished the Deposit Insurance Fund, which the
3 Corporation shall—

4 “(i) maintain and administer;

5 “(ii) use to carry out its insurance
6 purposes in the manner provided by this
7 subsection; and

8 “(iii) invest in accordance with section
9 13(a).

10 “(B) USES.—The Deposit Insurance Fund
11 shall be available to the Corporation for use
12 with respect to Deposit Insurance Fund mem-
13 bers.”; and

14 (C) by striking “(4) GENERAL PROVISIONS
15 RELATING TO FUNDS.—” and inserting the fol-
16 lowing:

17 “(4) ESTABLISHMENT OF THE DEPOSIT INSUR-
18 ANCE FUND.—”.

19 (2) OTHER REFERENCES.—Section 11(a)(4)(C)
20 of the Federal Deposit Insurance Act (12 U.S.C.
21 1821(a)(4)(C), as redesignated by paragraph (1) of
22 this subsection) is amended by striking “Bank In-
23 surance Fund and the Savings Association Insur-
24 ance Fund” and inserting “Deposit Insurance
25 Fund”.

1 (3) DEPOSITS INTO FUND.—Section 11(a)(4) of
2 the Federal Deposit Insurance Act (12 U.S.C.
3 1821(a)(4)) is amended by adding at the end the
4 following new subparagraph:

5 “(D) DEPOSITS.—All amounts assessed
6 against insured depository institutions by the
7 Corporation shall be deposited in the Deposit
8 Insurance Fund.”.

9 (4) SPECIAL RESERVE OF DEPOSITS.—Section
10 11(a)(5) of the Federal Deposit Insurance Act (12
11 U.S.C. 1821(a)(5)) is amended to read as follows:

12 “(5) SPECIAL RESERVE OF DEPOSIT INSUR-
13 ANCE FUND.—

14 “(A) ESTABLISHMENT.—

15 “(i) IN GENERAL.—There is estab-
16 lished a Special Reserve of the Deposit In-
17 surance Fund, which shall be administered
18 by the Corporation and shall be invested in
19 accordance with section 13(a).

20 “(ii) LIMITATION.—The Corporation
21 shall not provide any assessment credit, re-
22 fund, or other payment from any amount
23 in the Special Reserve.

24 “(B) EMERGENCY USE OF SPECIAL RE-
25 SERVE.—Notwithstanding subparagraph (A)(ii),

1 the Corporation may, in its sole discretion,
2 transfer amounts from the Special Reserve to
3 the Deposit Insurance Fund, for the purposes
4 set forth in paragraph (4), only if—

5 “(i) the reserve ratio of the Deposit
6 Insurance Fund is less than 50 percent of
7 the designated reserve ratio; and

8 “(ii) the Corporation expects the re-
9 serve ratio of the Deposit Insurance Fund
10 to remain at less than 50 percent of the
11 designated reserve ratio for each of the
12 next 4 calendar quarters.

13 “(C) EXCLUSION OF SPECIAL RESERVE IN
14 CALCULATING RESERVE RATIO.—Notwithstand-
15 ing any other provision of law, any amounts in
16 the Special Reserve shall be excluded in cal-
17 culating the reserve ratio of the Deposit Insur-
18 ance Fund under section 7.”.

19 (5) FEDERAL HOME LOAN BANK ACT.—Section
20 21B(f)(2)(C)(ii) of the Federal Home Loan Bank
21 Act (12 U.S.C. 1441b(f)(2)(C)(ii)) is amended—

22 (A) in subclause (I), by striking “to Sav-
23 ings Associations Insurance Fund members”
24 and inserting “to insured depository institu-
25 tions, and their successors, which were Savings

1 Association Insurance Fund members on Sep-
2 tember 1, 1995”; and

3 (B) in subclause (II), by striking “to Sav-
4 ings Associations Insurance Fund members”
5 and inserting “to insured depository institu-
6 tions, and their successors, which were Savings
7 Association Insurance Fund members on Sep-
8 tember 1, 1995”.

9 (6) REPEALS.—

10 (A) SECTION 3.—Section 3(y) of the Fed-
11 eral Deposit Insurance Act (12 U.S.C. 1813(y))
12 is amended to read as follows:

13 “(y) DEFINITIONS RELATING TO THE DEPOSIT IN-
14 SURANCE FUND.—

15 “(1) DEPOSIT INSURANCE FUND.—The term
16 ‘Deposit Insurance Fund’ means the fund estab-
17 lished under section 11(a)(4).

18 “(2) RESERVE RATIO.—The term ‘reserve ratio’
19 means the ratio of the net worth of the Deposit In-
20 surance Fund to aggregate estimated insured depos-
21 its held in all insured depository institutions.

22 “(3) DESIGNATED RESERVE RATIO.—The des-
23 igned reserve ratio of the Deposit Insurance Fund
24 for each year shall be—

1 “(A) 1.25 percent of estimated insured de-
2 posits; or

3 “(B) a higher percentage of estimated in-
4 sured deposits that the Board of Directors de-
5 termines to be justified for that year by cir-
6 cumstances raising a significant risk of sub-
7 stantial future losses to the fund.

8 (B) SECTION 7.—Section 7 of the Federal
9 Deposit Insurance Act (12 U.S.C. 1817) is
10 amended—

11 (i) by striking subsection (l);

12 (ii) by redesignating subsections (m)
13 and (n) as subsections (l) and (m), respec-
14 tively;

15 (iii) in subsection (b)(2), by striking
16 subparagraphs (B) and (F), and by redesi-
17 gnating subparagraphs (C), (E), (G), and
18 (H) as subparagraphs (B) through (E), re-
19 spectively.

20 (C) SECTION 11.—Section 11(a) of the
21 Federal Deposit Insurance Act (12 U.S.C.
22 1821(a)) is amended—

23 (i) by striking paragraphs (6) and (7);

24 and

1 (ii) by redesignating paragraph (8) as
2 paragraph (6).

3 (7) SECTION 5136 OF THE REVISED STAT-
4 UTES.—Paragraph Eleventh of section 5136 of the
5 Revised Statutes (12 U.S.C. 24) is amended in the
6 fifth sentence, by striking “affected deposit insur-
7 ance fund” and inserting “Deposit Insurance
8 Fund”.

9 (8) INVESTMENTS PROMOTING PUBLIC WEL-
10 FARE; LIMITATIONS ON AGGREGATE INVEST-
11 MENTS.—The 23d undesignated paragraph of sec-
12 tion 9 of the Federal Reserve Act (12 U.S.C. 338a)
13 is amended in the fourth sentence, by striking “af-
14 fected deposit insurance fund” and inserting “De-
15 posit Insurance Fund”.

16 (9) ADVANCES TO CRITICALLY UNDERCAPITAL-
17 IZED DEPOSITORY INSTITUTIONS.—Section
18 10B(b)(3)(A)(ii) of the Federal Reserve Act (12
19 U.S.C. 347b(b)(3)(A)(ii)) is amended by striking
20 “any deposit insurance fund in” and inserting “the
21 Deposit Insurance Fund of”.

22 (10) AMENDMENTS TO THE BALANCED BUDGET
23 AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—
24 Section 255(g)(1)(A) of the Balanced Budget and

1 Emergency Deficit Control Act of 1985 (2 U.S.C.
2 905(g)(1)(A)) is amended—

3 (A) by striking “Bank Insurance Fund”
4 and inserting “Deposit Insurance Fund”; and

5 (B) by striking “Federal Deposit Insur-
6 ance Corporation, Savings Association Insur-
7 ance Fund;”.

8 (11) FURTHER AMENDMENTS TO THE FEDERAL
9 HOME LOAN BANK ACT.—The Federal Home Loan
10 Bank Act (12 U.S.C. 1421 et seq.) is amended—

11 (A) in section 11(k) (12 U.S.C.
12 1431(k))—

13 (i) in the subsection heading, by strik-
14 ing “SAIF” and inserting “THE DEPOSIT
15 INSURANCE FUND”; and

16 (ii) by striking “Savings Association
17 Insurance Fund” each place such term ap-
18 pears and inserting “Deposit Insurance
19 Fund”;

20 (B) in section 21A(b)(4)(B) (12 U.S.C.
21 1441a(b)(4)(B)), by striking “affected deposit
22 insurance fund” and inserting “Deposit Insur-
23 ance Fund”;

24 (C) in section 21A(b)(6)(B) (12 U.S.C.
25 1441a(b)(6)(B))—

1 (i) in the subparagraph heading, by
2 striking “SAIF-INSURED BANKS” and in-
3 serting “CHARTER CONVERSIONS”; and

4 (ii) by striking “Savings Association
5 Insurance Fund member” and inserting
6 “savings association”;

7 (D) in section 21A(b)(10)(A)(iv)(II) (12
8 U.S.C. 1441a(b)(10)(A)(iv)(II)), by striking
9 “Savings Association Insurance Fund” and in-
10 serting “Deposit Insurance Fund”;

11 (E) in section 21B(e) (12 U.S.C.
12 1441b(e))—

13 (i) in paragraph (5), by inserting “as
14 of the date of funding” after “Savings As-
15 sociation Insurance Fund members” each
16 place such term appears;

17 (ii) by striking paragraph (7); and

18 (iii) by redesignating paragraph (8) as
19 paragraph (7); and

20 (F) in section 21B(k) (12 U.S.C.
21 1441b(k))—

22 (i) by striking paragraph (8); and

23 (ii) by redesignating paragraphs (9)
24 and (10) as paragraphs (8) and (9), re-
25 spectively.

1 (12) AMENDMENTS TO THE HOME OWNERS'
2 LOAN ACT.—The Home Owners' Loan Act (12
3 U.S.C. 1461 et seq.) is amended—

4 (A) in section 5 (12 U.S.C. 1464)—

5 (i) in subsection (c)(5)(A), by striking
6 “that is a member of the Bank Insurance
7 Fund”;

8 (ii) in subsection (c)(6), by striking
9 “As used in this subsection—” and insert-
10 ing “For purposes of this subsection, the
11 following definitions shall apply:”;

12 (iii) in subsection (o)(1), by striking
13 “that is a Bank Insurance Fund member”;

14 (iv) in subsection (o)(2)(A), by strik-
15 ing “a Bank Insurance Fund member until
16 such time as it changes its status to a Sav-
17 ings Association Insurance Fund member”
18 and inserting “insured by the Deposit In-
19 surance Fund”;

20 (v) in subsection (t)(5)(D)(iii)(II), by
21 striking “affected deposit insurance fund”
22 and inserting “Deposit Insurance Fund”;

23 (vi) in subsection (t)(7)(C)(i)(I), by
24 striking “affected deposit insurance fund”

1 and inserting “Deposit Insurance Fund”;
2 and

3 (vii) in subsection (v)(2)(A)(i), by
4 striking “, the Savings Association Insur-
5 ance Fund” and inserting “or the Deposit
6 Insurance Fund”; and

7 (B) in section 10 (12 U.S.C. 1467a)—

8 (i) in subsection (e)(1)(A)(iii)(VII), by
9 adding “or” at the end;

10 (ii) in subsection (e)(1)(A)(iv), by
11 adding “and” at the end;

12 (iii) in subsection (e)(1)(B), by strik-
13 ing “Savings Association Insurance Fund
14 or Bank Insurance Fund” and inserting
15 “Deposit Insurance Fund”;

16 (iv) in subsection (e)(2), by striking
17 “Savings Association Insurance Fund or
18 the Bank Insurance Fund” and inserting
19 “Deposit Insurance Fund”; and

20 (v) in subsection (m)(3), by striking
21 subparagraph (E), and by redesignating
22 subparagraphs (F), (G), and (H) as sub-
23 paragraphs (E), (F), and (G), respectively.

1 (13) AMENDMENTS TO THE NATIONAL HOUSING
2 ACT.—The National Housing Act (12 U.S.C. 1701
3 et seq.) is amended—

4 (A) in section 317(b)(1)(B) (12 U.S.C.
5 1723i(b)(1)(B)), by striking “Bank Insurance
6 Fund for banks or through the Savings Asso-
7 ciation Insurance Fund for savings associa-
8 tions” and inserting “Deposit Insurance Fund”;
9 and

10 (B) in section 526(b)(1)(B)(ii) (12 U.S.C.
11 1735f–14(b)(1)(B)(ii)), by striking “Bank In-
12 surance Fund for banks and through the Sav-
13 ings Association Insurance Fund for savings as-
14 sociations” and inserting “Deposit Insurance
15 Fund”.

16 (14) FURTHER AMENDMENTS TO THE FEDERAL
17 DEPOSIT INSURANCE ACT.—The Federal Deposit In-
18 surance Act (12 U.S.C. 1811 et seq.) is amended—

19 (A) in section 3(a)(1) (12 U.S.C.
20 1813(a)(1)), by striking subparagraph (B) and
21 inserting the following:

22 “(B) includes any former savings associa-
23 tion.”;

24 (B) in section 5(b)(5) (12 U.S.C.
25 1815(b)(5)), by striking “the Bank Insurance

1 Fund or the Savings Association Insurance
2 Fund;” and inserting “Deposit Insurance
3 Fund,”;

4 (C) in section 5(d) (12 U.S.C. 1815(d)),
5 by striking paragraphs (2) and (3);

6 (D) in section 5(d)(1) (12 U.S.C.
7 1815(d)(1))—

8 (i) in subparagraph (A), by striking
9 “reserve ratios in the Bank Insurance
10 Fund and the Savings Association Insur-
11 ance Fund” and inserting “the reserve
12 ratio of the Deposit Insurance Fund”;

13 (ii) by striking subparagraph (B) and
14 inserting the following:

15 “(2) FEE CREDITED TO THE DEPOSIT INSUR-
16 ANCE FUND.—The fee paid by the depository insti-
17 tution under paragraph (1) shall be credited to the
18 Deposit Insurance Fund.”;

19 (iii) by striking “(1) UNINSURED IN-
20 STITUTIONS.—”; and

21 (iv) by redesignating subparagraphs
22 (A) and (C) as paragraphs (1) and (3), re-
23 spectively, and moving the margins 2 ems
24 to the left;

25 (E) in section 5(e) (12 U.S.C. 1815(e))—

1 (i) in paragraph (5)(A), by striking
2 “Bank Insurance Fund or the Savings As-
3 sociation Insurance Fund” and inserting
4 “Deposit Insurance Fund”;

5 (ii) by striking paragraph (6); and

6 (iii) by redesignating paragraphs (7),
7 (8), and (9) as paragraphs (6), (7), and
8 (8), respectively;

9 (F) in section 6(5) (12 U.S.C. 1816(5)),
10 by striking “Bank Insurance Fund or the Sav-
11 ings Association Insurance Fund” and inserting
12 “Deposit Insurance Fund”;

13 (G) in section 7(b) (12 U.S.C. 1817(b))—

14 (i) in paragraph (1)(D), by striking
15 “each deposit insurance fund” and insert-
16 ing “the Deposit Insurance Fund”;

17 (ii) in clauses (i)(I) and (iv) of para-
18 graph (2)(A), by striking “each deposit in-
19 surance fund” each place such term ap-
20 pears and inserting “the Deposit Insurance
21 Fund”;

22 (iii) in paragraph (2)(A)(iii), by strik-
23 ing “a deposit insurance fund” and insert-
24 ing “the Deposit Insurance Fund”;

1 (iv) by striking clause (iv) of para-
2 graph (2)(A);

3 (v) in paragraph (2)(C) (as redesign-
4 nated by paragraph (6)(B) of this sub-
5 section)—

6 (I) by striking “any deposit in-
7 surance fund” and inserting “the De-
8 posit Insurance Fund”; and

9 (II) by striking “that fund” each
10 place such term appears and inserting
11 “the Deposit Insurance Fund”;

12 (vi) in paragraph (2)(D) (as redesign-
13 nated by paragraph (6)(B) of this sub-
14 section)—

15 (I) in the subparagraph heading,
16 by striking “FUNDS ACHIEVE” and in-
17 serting “FUND ACHIEVES”; and

18 (II) by striking “a deposit insur-
19 ance fund” and inserting “the Deposit
20 Insurance Fund”;

21 (vii) in paragraph (3)—

22 (I) in the paragraph heading, by
23 striking “FUNDS” and inserting
24 “FUND”;

1 (II) by striking “members of that
2 fund” where such term appears in the
3 portion of subparagraph (A) which
4 precedes clause (i) of such subpara-
5 graph and inserting “insured depository
6 institutions”;

7 (III) by striking “that fund”
8 each place such term appears (other
9 than in connection with term amended
10 in subclause (II) of this clause) and
11 inserting “the Deposit Insurance
12 Fund”;

13 (IV) in subparagraph (A), by
14 striking “Except as provided in para-
15 graph (2)(F), if” and inserting “If”;

16 (V) in subparagraph (A), by
17 striking “any deposit insurance fund”
18 and inserting “the Deposit Insurance
19 Fund”; and

20 (VI) by striking subparagraphs
21 (C) and (D) and inserting the follow-
22 ing:

23 “(C) AMENDING SCHEDULE.—The Cor-
24 poration may, by regulation, amend a schedule
25 promulgated under subparagraph (B).”; and

1 (viii) in paragraph (6)—

2 (I) by striking “any such assess-
3 ment” and inserting “any such assess-
4 ment is necessary”;

5 (II) by striking “(A) is nec-
6 essary—”;

7 (III) by striking subparagraph
8 (B);

9 (IV) by redesignating clauses (i),
10 (ii), and (iii) as subparagraphs (A),
11 (B), and (C), respectively, and moving
12 the margins 2 ems to the left; and

13 (V) in subparagraph (C) (as re-
14 designated), by striking “; and” and
15 inserting a period;

16 (H) in section 11(f)(1) (12 U.S.C.
17 1821(f)(1)), by striking “, except that—” and
18 all that follows through the end of the para-
19 graph and inserting a period;

20 (I) in section 11(i)(3) (12 U.S.C.
21 1821(i)(3))—

22 (i) by striking subparagraph (B);

23 (ii) by redesignating subparagraph
24 (C) as subparagraph (B); and

1 (iii) in subparagraph (B) (as redesignig-
2 nated), by striking “subparagraphs (A)
3 and (B)” and inserting “subparagraph
4 (A)”;

5 (J) in section 11A(a) (12 U.S.C.
6 1821a(a))—

7 (i) in paragraph (2), by striking “LI-
8 ABILITIES.—” and all that follows through
9 “Except” and inserting “LIABILITIES.—
10 Except”;

11 (ii) by striking paragraph (2)(B); and

12 (iii) in paragraph (3), by striking “the
13 Bank Insurance Fund, the Savings Asso-
14 ciation Insurance Fund,” and inserting
15 “the Deposit Insurance Fund”;

16 (K) in section 11A(b) (12 U.S.C.
17 1821a(b)), by striking paragraph (4);

18 (L) in section 11A(f) (12 U.S.C.
19 1821a(f)), by striking “Savings Association In-
20 surance Fund” and inserting “Deposit Insur-
21 ance Fund”;

22 (M) in section 13 (12 U.S.C. 1823)—

23 (i) in subsection (a)(1), by striking
24 “Bank Insurance Fund, the Savings Asso-
25 ciation Insurance Fund,” and inserting

1 “Deposit Insurance Fund, the Special Re-
2 serve of the Deposit Insurance Fund,”;

3 (ii) in subsection (c)(4)(E)—

4 (I) in the subparagraph heading,
5 by striking “FUNDS” and inserting
6 “FUND”; and

7 (II) in clause (i), by striking
8 “any insurance fund” and inserting
9 “the Deposit Insurance Fund”;

10 (iii) in subsection (c)(4)(G)(ii)—

11 (I) by striking “appropriate in-
12 surance fund” and inserting “Deposit
13 Insurance Fund”;

14 (II) by striking “the members of
15 the insurance fund (of which such in-
16 stitution is a member)” and inserting
17 “insured depository institutions”;

18 (III) by striking “each mem-
19 ber’s” and inserting “each insured de-
20 pository institution’s”; and

21 (IV) by striking “the member’s”
22 each place such term appears and in-
23 serting “the institution’s”;

24 (iv) in subsection (c), by striking
25 paragraph (11);

1 (v) in subsection (h), by striking
2 “Bank Insurance Fund” and inserting
3 “Deposit Insurance Fund”;

4 (vi) in subsection (k)(4)(B)(i), by
5 striking “Savings Association Insurance
6 Fund” and inserting “Deposit Insurance
7 Fund”; and

8 (vii) in subsection (k)(5)(A), by strik-
9 ing “Savings Association Insurance Fund”
10 and inserting “Deposit Insurance Fund”;

11 (N) in section 14(a) (12 U.S.C. 1824(a))
12 in the fifth sentence—

13 (i) by striking “Bank Insurance Fund
14 or the Savings Association Insurance
15 Fund” and inserting “Deposit Insurance
16 Fund”; and

17 (ii) by striking “each such fund” and
18 inserting “the Deposit Insurance Fund”;

19 (O) in section 14(b) (12 U.S.C. 1824(b)),
20 by striking “Bank Insurance Fund or Savings
21 Association Insurance Fund” and inserting
22 “Deposit Insurance Fund”;

23 (P) in section 14(c) (12 U.S.C. 1824(c)),
24 by striking paragraph (3);

1 (Q) in section 14(d) (12 U.S.C.
2 1824(d))—

3 (i) by striking “BIF” each place such
4 term appears and inserting “DIF”; and

5 (ii) by striking “Bank Insurance
6 Fund” each place such term appears and
7 inserting “Deposit Insurance Fund”;

8 (R) in section 15(c)(5) (12 U.S.C.
9 1825(c)(5))—

10 (i) by striking “the Bank Insurance
11 Fund or Savings Association Insurance
12 Fund, respectively” each place such term
13 appears and inserting “the Deposit Insur-
14 ance Fund”; and

15 (ii) in subparagraph (B), by striking
16 “the Bank Insurance Fund or the Savings
17 Association Insurance Fund, respectively”
18 and inserting “the Deposit Insurance
19 Fund”;

20 (S) in section 17(a) (12 U.S.C. 1827(a))—

21 (i) in the subsection heading, by strik-
22 ing “BIF, SAIF,” and inserting “THE DE-
23 POSIT INSURANCE FUND”; and

24 (ii) in paragraph (1), by striking “the
25 Bank Insurance Fund, the Savings Asso-

1 ciation Insurance Fund,” each place such
2 term appears and inserting “the Deposit
3 Insurance Fund”;

4 (T) in section 17(d) (12 U.S.C. 1827(d)),
5 by striking “the Bank Insurance Fund, the
6 Savings Association Insurance Fund,” each
7 place such term appears and inserting “the De-
8 posit Insurance Fund”;

9 (U) in section 18(m)(3) (12 U.S.C.
10 1828(m)(3))—

11 (i) by striking “Savings Association
12 Insurance Fund” each place such term ap-
13 pears and inserting “Deposit Insurance
14 Fund”; and

15 (ii) in subparagraph (C), by striking
16 “or the Bank Insurance Fund”;

17 (V) in section 18(p) (12 U.S.C. 1828(p)),
18 by striking “deposit insurance funds” and in-
19 serting “Deposit Insurance Fund”;

20 (W) in section 24 (12 U.S.C. 1831a) in
21 subsections (a)(1) and (d)(1)(A), by striking
22 “appropriate deposit insurance fund” each
23 place such term appears and inserting “Deposit
24 Insurance Fund”;

1 (X) in section 28 (12 U.S.C. 1831e), by
2 striking “affected deposit insurance fund” each
3 place such term appears and inserting “Deposit
4 Insurance Fund”;

5 (Y) by striking section 31 (12 U.S.C.
6 1831h);

7 (Z) in section 36(i)(3) (12 U.S.C.
8 1831m(i)(3)) by striking “affected deposit in-
9 surance fund” and inserting “Deposit Insur-
10 ance Fund”;

11 (AA) in section 38(a) (12 U.S.C.
12 1831o(a)) in the subsection heading, by striking
13 “FUNDS” and inserting “FUND”;

14 (BB) in section 38(k) (12 U.S.C.
15 1831o(k))—

16 (i) in paragraph (1), by striking “a
17 deposit insurance fund” and inserting “the
18 Deposit Insurance Fund”; and

19 (ii) in paragraph (2)(A)—

20 (I) by striking “A deposit insur-
21 ance fund” and inserting “The De-
22 posit Insurance Fund”; and

23 (II) by striking “the deposit in-
24 surance fund’s outlays” and inserting

1 “the outlays of the Deposit Insurance
2 Fund”; and

3 (CC) in section 38(o) (12 U.S.C.
4 1831o(o))—

5 (i) by striking “ASSOCIATIONS.—”
6 and all that follows through “Subsections
7 (e)(2)” and inserting “ASSOCIATIONS.—
8 Subsections (e)(2)”;

9 (ii) by redesignating subparagraphs
10 (A), (B), and (C) as paragraphs (1), (2),
11 and (3), respectively, and moving the mar-
12 gins 2 ems to the left; and

13 (iii) in paragraph (1) (as redesign-
14 nated), by redesignating clauses (i) and (ii)
15 as subparagraphs (A) and (B), respec-
16 tively, and moving the margins 2 ems to
17 the left.

18 (15) AMENDMENTS TO THE FINANCIAL INSTI-
19 TUTIONS REFORM, RECOVERY, AND ENFORCEMENT
20 ACT OF 1989.—The Financial Institutions Reform,
21 Recovery, and Enforcement Act is amended—

22 (A) in section 951(b)(3)(B) (12 U.S.C.
23 1833a(b)(3)(B)), by striking “Bank Insurance
24 Fund, the Savings Association Insurance

1 Fund,” and inserting “Deposit Insurance
2 Fund”; and

3 (B) in section 1112(c)(1)(B) (12 U.S.C.
4 3341(c)(1)(B)), by striking “Bank Insurance
5 Fund, the Savings Association Insurance
6 Fund,” and inserting “Deposit Insurance
7 Fund”.

8 (16) AMENDMENT TO THE BANK ENTERPRISE
9 ACT OF 1991.—Section 232(a)(1) of the Bank Enter-
10 prise Act of 1991 (12 U.S.C. 1834(a)(1)) is amend-
11 ed by striking “section 7(b)(2)(H)” and inserting
12 “section 7(b)(2)(G)”.

13 (17) AMENDMENT TO THE BANK HOLDING
14 COMPANY ACT.—Section 2(j)(2) of the Bank Hold-
15 ing Company Act of 1956 (12 U.S.C. 1841(j)(2)) is
16 amended by striking “Savings Association Insurance
17 Fund” and inserting “Deposit Insurance Fund”.

18 **SEC. 205. CREATION OF SAIF SPECIAL RESERVE.**

19 Section 11(a)(6) of the Federal Deposit Insurance
20 Act (12 U.S.C. 1821(a)(6)) is amended by adding at the
21 end the following new subparagraph:

22 “(L) ESTABLISHMENT OF SAIF SPECIAL RE-
23 SERVE.—

24 “(i) ESTABLISHMENT.—If, on January 1,
25 1998, the reserve ratio of the Savings Associa-

1 tion Insurance Fund exceeds the designated re-
2 serve ratio, there is established a Special Re-
3 serve of the Savings Association Insurance
4 Fund, which shall be administered by the Cor-
5 poration and shall be invested in accordance
6 with section 13(a).

7 “(ii) AMOUNTS IN SPECIAL RESERVE.—If,
8 on January 1, 1998, the reserve ratio of the
9 Savings Association Insurance Fund exceeds
10 the designated reserve ratio, the amount by
11 which the reserve ratio exceeds the designated
12 reserve ratio shall be placed in the Special Re-
13 serve of the Savings Association Insurance
14 Fund established by clause (i).

15 “(iii) LIMITATION.—The Corporation shall
16 not provide any assessment credit, refund, or
17 other payment from any amount in the Special
18 Reserve of the Savings Association Insurance
19 Fund.

20 “(iv) EMERGENCY USE OF SPECIAL RE-
21 SERVE.—Notwithstanding clause (iii), the Cor-
22 poration may, in its sole discretion, transfer
23 amounts from the Special Reserve of the Sav-
24 ings Association Insurance Fund to the Savings

1 Association Insurance Fund for the purposes
2 set forth in paragraph (4), only if—

3 “(I) the reserve ratio of the Savings
4 Association Insurance Fund is less than 50
5 percent of the designated reserve ratio; and

6 “(II) the Corporation expects the re-
7 serve ratio of the Savings Association In-
8 surance Fund to remain at less than 50
9 percent of the designated reserve ratio for
10 each of the next 4 calendar quarters.

11 “(v) EXCLUSION OF SPECIAL RESERVE IN
12 CALCULATING RESERVE RATIO.—Notwithstand-
13 ing any other provision of law, any amounts in
14 the Special Reserve of the Savings Association
15 Insurance Fund shall be excluded in calculating
16 the reserve ratio of the Savings Association In-
17 surance Fund.”.

18 **SEC. 206. REFUND OF AMOUNTS IN DEPOSIT INSURANCE**
19 **FUND IN EXCESS OF DESIGNATED RESERVE**
20 **AMOUNT.**

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

24 “(e) REFUNDS.—

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

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

7 “(B) credit such excess amount toward the
8 payment of subsequent semiannual assessments
9 until such credit is exhausted.

10 “(2) BALANCE IN INSURANCE FUND IN EXCESS
11 OF DESIGNATED RESERVE.—

12 “(A) IN GENERAL.—Subject to subpara-
13 graphs (B) and (C), if, as of the end of any
14 semiannual assessment period, the amount of
15 the actual reserves in—

16 “(i) the Bank Insurance Fund (until
17 the merger of such fund into the Deposit
18 Insurance Fund pursuant to section __04
19 of the Deposit Insurance Funds Act of
20 1996); or

21 “(ii) the Deposit Insurance Fund
22 (after the establishment of such fund),
23 exceeds the balance required to meet the des-
24 ignated reserve ratio applicable with respect to
25 such fund, such excess amount shall be re-

1 funded to insured depository institutions by the
2 Corporation on such basis as the Board of Di-
3 rectors determines to be appropriate, taking
4 into account the factors considered under the
5 risk-based assessment system.

6 “(B) REFUND NOT TO EXCEED PREVIOUS
7 SEMIANNUAL ASSESSMENT.—The amount of
8 any refund under this paragraph to any mem-
9 ber of a deposit insurance fund for any semi-
10 annual assessment period may not exceed the
11 total amount of assessments paid by such mem-
12 ber to the insurance fund with respect to such
13 period.

14 “(C) REFUND LIMITATION FOR CERTAIN
15 INSTITUTIONS.—No refund may be made under
16 this paragraph with respect to the amount of
17 any assessment paid for any semiannual assess-
18 ment period by any insured depository institu-
19 tion described in clause (v) of subsection
20 (b)(2)(A).”.

1 **SEC. 207. ASSESSMENT RATES FOR SAIF MEMBERS MAY**
2 **NOT BE LESS THAN ASSESSMENT RATES FOR**
3 **BIF MEMBERS.**

4 Section 7(b)(2)(C) of the Federal Deposit Insurance
5 Act (12 U.S.C. 1817(b)(2)(E), as redesignated by section
6 204(d)(6) of this Act) is amended—

7 (1) by striking “and” at the end of clause (i);

8 (2) by striking the period at the end of clause

9 (ii) and inserting “; and”; and

10 (3) by adding at the end the following new
11 clause:

12 “(iii) notwithstanding any other provi-
13 sion of this subsection, during the period
14 beginning on the date of enactment of the
15 Deposit Insurance Funds Act of 1996, and
16 ending on January 1, 1998, the assess-
17 ment rate for a Savings Association Insur-
18 ance Fund member may not be less than
19 the assessment rate for a Bank Insurance
20 Fund member that poses a comparable
21 risk to the deposit insurance fund.”.

22 **SEC. 208. ASSESSMENTS AUTHORIZED ONLY IF NEEDED TO**
23 **MAINTAIN THE RESERVE RATIO OF A DE-**
24 **POSIT INSURANCE FUND.**

25 (a) IN GENERAL.—Section 7(b)(2)(A)(i) of the Fed-
26 eral Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)(i))

1 is amended in the matter preceding subclause (I) by in-
2 serting “when necessary, and only to the extent nec-
3 essary” after “insured depository institutions”.

4 (b) LIMITATION ON ASSESSMENT.—Section
5 7(b)(2)(A)(iii) of the Federal Deposit Insurance Act (12
6 U.S.C. 1817(b)(2)(A)(iii)) is amended to read as follows:

7 “(iii) LIMITATION ON ASSESSMENT.—
8 Except as provided in clause (v), the Board
9 of Directors shall not set semiannual as-
10 sessments with respect to a deposit insur-
11 ance fund in excess of the amount need-
12 ed—

13 “(I) to maintain the reserve ratio
14 of the fund at the designated reserve
15 ratio; or

16 “(II) if the reserve ratio is less
17 than the designated reserve ratio, to
18 increase the reserve ratio to the des-
19 igned reserve ratio.”.

20 (c) EXCEPTION TO LIMITATION ON ASSESSMENTS.—
21 Section 7(b)(2)(A) of the Federal Deposit Insurance Act
22 (12 U.S.C. 1817(b)(2)(A)) is amended by adding at the
23 end the following new clause:

24 “(v) EXCEPTION TO LIMITATION ON
25 ASSESSMENTS.—The Board of Directors

1 may set semiannual assessments in excess
2 of the amount permitted under clauses (i)
3 and (iii) with respect to insured depository
4 institutions that exhibit financial, oper-
5 ational, or compliance weaknesses ranging
6 from moderately severe to unsatisfactory,
7 or are not well capitalized, as that term is
8 defined in section 38.”.

9 **SEC. 209. DEFINITIONS.**

10 For purposes of this title—

11 (1) the term “Bank Insurance Fund” means
12 the fund established pursuant to section
13 (11)(a)(5)(A) of the Federal Deposit Insurance Act,
14 as that section existed on the day before the date of
15 enactment of this Act;

16 (2) the terms “Bank Insurance Fund member”
17 and “Savings Association Insurance Fund member”
18 have the same meanings as in section 7(*l*) of the
19 Federal Deposit Insurance Act;

20 (3) the terms “bank”, “Board of Directors”,
21 “Corporation”, “insured depository institution”,
22 “Federal savings association”, “savings association”,
23 “State savings bank”, and “State depository institu-
24 tion” have the same meanings as in section 3 of the
25 Federal Deposit Insurance Act;

1 (4) the term “Deposit Insurance Fund” means
2 the fund established under section 11(a)(4) of the
3 Federal Deposit Insurance Act (as amended by sec-
4 tion 204(d) of this Act);

5 (5) the term “depository institution holding
6 company” has the same meaning as in section 3 of
7 the Federal Deposit Insurance Act;

8 (6) the term “designated reserve ratio” has the
9 same meaning as in section 7(b)(2)(A)(iv) of the
10 Federal Deposit Insurance Act;

11 (7) the term “Savings Association Insurance
12 Fund” means the fund established pursuant to sec-
13 tion 11(a)(6)(A) of the Federal Deposit Insurance
14 Act, as that section existed on the day before the
15 date of enactment of this Act; and

16 (8) the term “SAIF-assessable deposit”—

17 (A) means—

18 (i) a deposit that is subject to assess-
19 ment for purposes of the Savings Associa-
20 tion Insurance Fund under the Federal
21 Deposit Insurance Act; and

22 (ii) a deposit that section 5(d)(3) of
23 the Federal Deposit Insurance Act treats
24 as insured by the Savings Association In-
25 surance Fund; and

1 (B) includes any deposit assumed after
2 March 31, 1995, if the insured depository insti-
3 tution, the deposits of which are assumed, is
4 not an insured depository institution when the
5 special assessment is imposed under section
6 202(a).

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