

## Union Calendar No. 6

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

# H. R. 786

[Report No. 111-18]

To make permanent the temporary increase in deposit insurance coverage,  
and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 2009

Mr. FRANK of Massachusetts introduced the following bill; which was referred  
to the Committee on Financial Services

FEBRUARY 23, 2009

Reported with an amendment, committed to the Committee of the Whole  
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 2, 2009]

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## A BILL

To make permanent the temporary increase in deposit  
insurance coverage, 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,*

1 **SECTION 1. PERMANENT INCREASE IN DEPOSIT INSUR-**  
2 **ANCE.**

3 (a) *AMENDMENTS TO FEDERAL DEPOSIT INSURANCE*  
4 *ACT.*—*Effective upon the date of the enactment of this Act,*  
5 *section 11(a) of the Federal Deposit Insurance Act (12*  
6 *U.S.C. 1821(a)) is amended—*

7 (1) *in paragraph (1)(E), by striking “\$100,000”*  
8 *and inserting “\$250,000”;*

9 (2) *in paragraph (1)(F)(i), by striking “2010”*  
10 *and inserting “2015”;*

11 (3) *in subclause (I) of paragraph (1)(F)(i), by*  
12 *striking “\$100,000” and inserting “\$250,000”;*

13 (4) *in subclause (II) of paragraph (1)(F)(i), by*  
14 *striking “the calendar year preceding the date this*  
15 *subparagraph takes effect under the Federal Deposit*  
16 *Insurance Reform Act of 2005” and inserting “cal-*  
17 *endar year 2008”;* and

18 (5) *in paragraph (3)(A), by striking “, except*  
19 *that \$250,000 shall be substituted for \$100,000 wher-*  
20 *ever such term appears in such paragraph”.*

21 (b) *AMENDMENT TO FEDERAL CREDIT UNION ACT.*—  
22 *Section 207(k) of the Federal Credit Union Act (12 U.S.C.*  
23 *1787(k)) is amended—*

24 (1) *in paragraph (3)—*

25 (A) *by striking the opening quotation mark*  
26 *before “\$250,000”;*

1                   (B) by striking “, except that \$250,000 shall  
2                   be substituted for \$100,000 wherever such term  
3                   appears in such section”; and

4                   (C) by striking the closing quotation mark  
5                   after the closing parenthesis; and

6                   (2) in paragraph (5), by striking “\$100,000”  
7                   and inserting “\$250,000”.

8                   (c) *RULE OF CONSTRUCTION.*—No provision of law,  
9                   other than a provision of the Federal Deposit Insurance Act  
10                  (with respect to the Federal Deposit Insurance Corporation  
11                  and insured depository institutions) or the Federal Credit  
12                  Union Act (with respect to the National Credit Union Ad-  
13                  ministration and insured credit unions), may be construed  
14                  as limiting the authority of—

15                  (1) the Board of Directors of the Federal Deposit  
16                  Insurance Corporation to set assessments under sec-  
17                  tion 7(b)(2) of the Federal Deposit Insurance Act or  
18                  to make any inflation adjustment under section  
19                  11(a)(1)(F) of such Act; or

20                  (2) the National Credit Union Administration  
21                  Board to periodically adjust the amount of an in-  
22                  sured credit union’s deposit under section 202(c)(1) of  
23                  the Federal Credit Union Act, set the insurance pre-  
24                  mium charge under section 202(c)(2) of such Act, or



1            *1 or more special assessments on in-*  
2            *sur ed depository institutions, depository*  
3            *institution holding companies*  
4            *(with the concurrence of the Secretary*  
5            *of the Treasury with respect to holding*  
6            *companies), or both, as the Corpora-*  
7            *tion determines to be appropriate.*

8            *“(II) TREATMENT OF DEPOSITORY*  
9            *INSTITUTION HOLDING COMPANIES.—*  
10           *For purposes of this clause, sections*  
11           *7(c)(2) and 18(h) shall apply to depository*  
12           *institution holding companies as*  
13           *if they were insured depository institu-*  
14           *tions.*

15           *“(III) REGULATIONS.—The Cor-*  
16           *poration shall prescribe such regula-*  
17           *tions as it deems necessary to imple-*  
18           *ment this clause. In prescribing such*  
19           *regulations, defining terms, and setting*  
20           *the appropriate assessment rate or*  
21           *rates, the Corporation shall establish*  
22           *rates sufficient to cover the losses in-*  
23           *curring as a result of the actions of the*  
24           *Corporation under clause (i) and shall*  
25           *consider: the types of entities that ben-*

1           *efit from any action taken or assist-*  
 2           *ance provided under this subpara-*  
 3           *graph; economic conditions, the effects*  
 4           *on the industry, and such other factors*  
 5           *as the Corporation deems appropriate*  
 6           *and relevant to the action taken or the*  
 7           *assistance provided. Any funds so col-*  
 8           *lected that exceed actual losses shall be*  
 9           *placed in the Deposit Insurance*  
 10           *Fund.”.*

11 **SEC. 5. ESTABLISHMENT OF A NATIONAL CREDIT UNION**  
 12           **SHARE INSURANCE FUND RESTORATION**  
 13           **PLAN PERIOD.**

14           *Section 202(c)(2) of the Federal Credit Union Act (12*  
 15           *U.S.C. 1782(c)(2)) is amended by adding at the end the*  
 16           *following new subparagraph:*

17                   “(D) *FUND RESTORATION PLANS.*—

18                           “(i) *IN GENERAL.*—Whenever—

19                                   “(I) *the Board projects that the*  
 20                                   *equity ratio of the Fund will, within 6*  
 21                                   *months of such determination, fall*  
 22                                   *below the minimum amount specified*  
 23                                   *in subparagraph (C) for the designated*  
 24                                   *equity ratio; or*

1                   “(II) *the equity ratio of the Fund*  
2                   *actually falls below the minimum*  
3                   *amount specified in subparagraph (C)*  
4                   *for the equity ratio without any deter-*  
5                   *mination under sub-clause (I) having*  
6                   *been made,*  
7                   *the Board shall establish and implement a*  
8                   *Share Insurance Fund restoration plan*  
9                   *within 90 days that meets the requirements*  
10                  *of clause (ii) and such other conditions as*  
11                  *the Board determines to be appropriate.*

12                  “(ii) *REQUIREMENTS OF RESTORATION*  
13                  *PLAN.—A Share Insurance Fund restora-*  
14                  *tion plan meets the requirements of this*  
15                  *clause if the plan provides that the equity*  
16                  *ratio of the Fund will meet or exceed the*  
17                  *minimum amount specified in subpara-*  
18                  *graph (C) for the designated equity ratio be-*  
19                  *fore the end of the 5-year period beginning*  
20                  *upon the implementation of the plan (or*  
21                  *such longer period as the Board may deter-*  
22                  *mine to be necessary due to extraordinary*  
23                  *circumstances).*

24                  “(iii) *TRANSPARENCY.—Not more than*  
25                  *30 days after the Board establishes and im-*

1                    *plements a restoration plan under clause*  
2                    *(i), the Board shall publish in the Federal*  
3                    *Register a detailed analysis of the factors*  
4                    *considered and the basis for the actions*  
5                    *taken with regard to the plan.”.*



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