

113TH CONGRESS
2^D SESSION

H. R. 3468

IN THE SENATE OF THE UNITED STATES

MAY 7, 2014

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

To amend the Federal Credit Union Act to extend insurance coverage to amounts held in a member account on behalf of another person, 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. SHORT TITLE.**

2 This Act may be cited as the “Credit Union Share
3 Insurance Fund Parity Act”.

4 **SEC. 2. INSURANCE OF AMOUNTS HELD ON BEHALF OF
5 OTHERS.**

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

8 (1) in paragraph (1)(A)—

9 (A) by inserting after “payable to any
10 member” the following: “, or to any person with
11 funds lawfully held in a member account,”; and

12 (B) by striking “and paragraphs (5) and
13 (6)”;

14 (2) in paragraph (2)(A), by striking “(as deter-
15 mined under paragraph (5))”;

16 (3) by redesignating paragraph (5) as para-
17 graph (6); and

18 (4) by inserting after paragraph (4) the fol-
19 lowing:

20 “(5) **COVERAGE FOR INTEREST ON LAWYERS
21 TRUST ACCOUNTS (IOLTA) AND OTHER SIMILAR ES-
22 CROW ACCOUNTS.—**

23 “(A) **PASS-THROUGH INSURANCE.—**The
24 Administration shall provide pass-through share
25 insurance for the deposits or shares of any in-

1 terest on lawyers trust account (IOLTA) or
2 other similar escrow accounts.

3 “(B) TREATMENT OF IOLTAS.—

4 “(i) TREATMENT AS ESCROW AC-
5 COUNTS.—For share insurance purposes,
6 IOLTAs are treated as escrow accounts.

7 “(ii) TREATMENT AS MEMBER AC-
8 COUNTS.—IOLTAs and other similar es-
9 crow accounts are considered member ac-
10 counts for purposes of paragraph (1), if
11 the attorney administering the IOLTA or
12 the escrow agent administering the escrow
13 account is a member of the insured credit
14 union in which the funds are held.

15 “(C) DEFINITIONS.—For purposes of this
16 paragraph:

17 “(i) INTEREST ON LAWYERS TRUST
18 ACCOUNT.—The terms ‘interest on lawyers
19 trust account’ and ‘IOLTA’ mean a system
20 in which lawyers place certain client funds
21 in interest-bearing or dividend-bearing ac-
22 counts, with the interest or dividends then
23 used to fund programs such as legal serv-
24 ice organizations who provide services to
25 clients in need.

1 “(ii) PASS-THROUGH SHARE INSUR-
2 ANCE.—The term ‘pass-through share in-
3 surance’ means, with respect to IOLTAs
4 and other similar escrow accounts, insur-
5 ance coverage based on the interest of each
6 person on whose behalf funds are held in
7 such accounts by the attorney admin-
8 istering the IOLTA or the escrow agent
9 administering a similar escrow account, in
10 accordance with regulations issued by the
11 Administration.

12 “(D) RULE OF CONSTRUCTION.—No provi-
13 sion of this paragraph shall be construed as au-
14 thorizing an insured credit union to accept the
15 deposits of an IOLTA or similar escrow account
16 in an amount greater than such credit union is
17 authorized to accept under any other provision
18 of Federal or State law.”.

Passed the House of Representatives May 6, 2014.

Attest:

KAREN L. HAAS,

Clerk.