

111TH CONGRESS
1ST SESSION

H. R. 786

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

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

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,*

3 **SECTION 1. PERMANENT INCREASE IN DEPOSIT INSUR-**

4 **ANCE.**

5 (a) AMENDMENTS TO FEDERAL DEPOSIT INSURANCE
6 ACT.—Effective upon the date of the enactment of this
7 Act, section 11(a)(1) of the Federal Deposit Insurance Act
8 (12 U.S.C. 1821(a)) is amended—

9 (1) in paragraph (1)(E), by striking
10 “\$100,000” and inserting “\$250,000”;

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

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

5 (4) in subclause (II) of paragraph (1)(F)(i), by
6 striking “the calendar year preceding the date this
7 subparagraph takes effect under the Federal Deposit
8 Insurance Reform Act of 2005” and inserting “cal-
9 endar year 2008”; and

10 (5) in paragraph (3)(A)(iii), by striking “, ex-
11 cept that \$250,000 shall be substituted for \$100,000
12 wherever such term appears in such paragraph”.

13 (b) AMENDMENT TO FEDERAL CREDIT UNION
14 ACT.—Section 207(k) of the Federal Credit Union Act
15 (12 U.S.C. 1787(k)) is amended—

16 (1) in paragraph (3)—

17 (A) by striking the opening quotation mark
18 before “\$250,000”;

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

22 (C) by striking the closing quotation mark
23 after the closing parenthesis; and

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

1 (c) RULE OF CONSTRUCTION.—No provision of law,
2 other than a provision of the Federal Deposit Insurance
3 Act (with respect to the Federal Deposit Insurance Cor-
4 poration and insured depository institutions) or the Fed-
5 eral Credit Union Act (with respect to the National Credit
6 Union Administration and insured credit unions), may be
7 construed as limiting the authority of—

8 (1) the Board of Directors of the Federal De-
9 posit Insurance Corporation to set assessments
10 under section 7(b)(2) of the Federal Deposit Insur-
11 ance Act or to make any inflation adjustment under
12 section 11(a)(1)(F) of such Act; or

13 (2) the National Credit Union Administration
14 Board to periodically adjust the amount of an in-
15 sured credit union’s deposit under section 202(c)(1)
16 of the Federal Credit Union Act, set the insurance
17 premium charge under section 202(c)(2) of such
18 Act, or to make any inflation adjustment pursuant
19 to section 207(k)(5) of such Act.

20 **SEC. 2. EXTENSION OF RESTORATION PLAN PERIOD.**

21 Section 7(b)(3)(E)(ii) of the Federal Deposit Insur-
22 ance Act (12 U.S.C. 1817(b)(3)(E)(ii)) is amended by
23 striking “5-year period” and inserting “8-year period”.

1 **SEC. 3. FDIC BORROWING AUTHORITY.**

2 Section 14(a) of the Federal Deposit Insurance Act
3 (12 U.S.C. 1824(a)) is amended—

4 (1) by striking “\$30,000,000,000” and insert-
5 ing “\$100,000,000,000”; and

6 (2) by inserting prior to the last sentence, the
7 following new sentence: “The Corporation may re-
8 quest in writing to borrow, and the Secretary may
9 authorize and approve the borrowing of, additional
10 amounts above \$100,000,000,000 to the extent that
11 the Board of Directors and the Secretary determine
12 such borrowing to be necessary.”.

13 **SEC. 4. EXPANDING SYSTEMIC RISK SPECIAL ASSESS-**
14 **MENTS.**

15 Section 13(c)(4)(G)(ii) of the Federal Deposit Insur-
16 ance Act (12 U.S.C. 1823(c)(4)(G)(ii)) is amended to read
17 as follows:

18 “(ii) REPAYMENT OF LOSS.—

19 “(I) IN GENERAL.—The Corpora-
20 tion shall recover the loss to the De-
21 posit Insurance Fund arising from
22 any action taken or assistance pro-
23 vided with respect to an insured de-
24 pository institution under clause (i)
25 from 1 or more special assessments on
26 insured depository institutions, deposi-

1 tory institution holding companies
2 (with the concurrence of the Secretary
3 of the Treasury with respect to hold-
4 ing companies), or both, as the Cor-
5 poration determines to be appropriate.

6 “(II) TREATMENT OF DEPOSI-
7 TORY INSTITUTION HOLDING COMPA-
8 NIES.—For purposes of this clause,
9 sections 7(c)(2) and 18(h) shall apply
10 to depository institution holding com-
11 panies as if they were insured deposi-
12 tory institutions.

13 “(III) REGULATIONS.—The Cor-
14 poration shall prescribe such regula-
15 tions as it deems necessary to imple-
16 ment this clause. In prescribing such
17 regulations, defining terms, and set-
18 ting the appropriate assessment rate
19 or rates, the Corporation shall estab-
20 lish rates sufficient to cover the losses
21 incurred as a result of the actions of
22 the Corporation under clause (i) and
23 shall consider: the types of entities
24 that benefit from any action taken or
25 assistance provided under this sub-

1 paragraph; economic conditions, the
2 effects on the industry, and such
3 other factors as the Corporation
4 deems appropriate and relevant to the
5 action taken or the assistance pro-
6 vided. Any funds so collected that ex-
7 ceed actual losses shall be placed in
8 the Deposit Insurance Fund.”.

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