

**Amendment Offered by Mr. Meeks of New
York**

**To the Amendment in the Nature of a
Substitute Offered by Mr. Oxley**

Page 42, after line 2, insert the following new subsection (and redesignate the subsequent subsection and any cross reference to such subsection accordingly):

1 . . (b) REDUCTION IN DIVIDENDS AND CREDITS FOR
2 DEPOSITORY INSTITUTIONS THAT SUBSTANTIALLY DI-
3 LUTE FUND RESERVES.—Section 5(d) of the Federal De-
4 posit Insurance Act (12 U.S.C. 1815(d) is amended by
5 adding at the end the following new paragraph:

6 “(4) NET INCREASE IN DEPOSITS.—

7 “(A) IN GENERAL.—In the case of any in-
8 sured depository institution that has, during
9 any 6-month period beginning after March 13,
10 2003, experienced a net increase in insured de-
11 posits that—

12 “(i) was at least 15 percentage points
13 above the annualized growth rate of in-
14 sured deposits at all insured depository in-
15 stitutions over the 12-month period ending



1 on the same day as such 6-month period;
2 and

3 "(ii) reduced the reserve ratio of the
4 Deposit Insurance Fund by one-quarter of
5 1 basis point or more during such 12-
6 month period,

7 the Board of Directors shall, subject to sub-
8 paragraph (B), reduce any dividend otherwise
9 payable under section 7(e)(2) or on-going credit
10 otherwise available under section 7(e)(3)(B)
11 until the Board determines that such institution
12 has had its dividend or on-going credit reduced
13 in an amount sufficient to compensate the fund
14 for any reduction in the reserve ratio caused by
15 such net increase in insured deposits.

16 "(B) ADDITIONAL FACTORS.—Before re-
17 ducing any dividends or on-going credits under
18 subparagraph (A) with respect to any insured
19 depository institution, the Board of Directors
20 shall take into account the assessment base of,
21 and the levels of assessments paid by, such de-
22 pository institution in prior assessment periods.

23 "(C) REGULATIONS.—The Corporation
24 shall prescribe regulations, after notice and op-
25 portunity for comment, establishing procedures



- 1 for reducing dividends or on-going credits under
- 2 subparagraph (A).”.

